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EXPLANATORY NOTES

The following symbols have been used throughout this *Bulletin*:

.. = not available or not pertinent.
— = nil or negligible.
* = estimate by the secretariat of the Economic Commission for Europe.
* = revised figure.

In referring to combinations of years, the use of an oblique stroke—*e.g.*, 1957/58—signifies a 12-month period (say from 1 July 1957 to 30 June 1958). The use of a hyphen—*e.g.*, 1954-1958—signifies an average of the full period of calendar years covered (including the end years indicated).

Unless otherwise indicated, the standard unit of weight used throughout is the metric ton. The definition of "billion" used throughout is one thousand million. Minor discrepancies in totals and percentages are due to rounding.

In general, information received up to the end of May 1959 has been included in the *Bulletin*.

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ECONOMIC BULLETIN FOR EUROPE

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UNITED NATIONS

CURRENT ECONOMIC DEVELOPMENTS IN EUROPE

1. The 1959 Plans in Eastern Europe and the Soviet Union

For the Soviet Union and for one of the eastern European countries, 1959 is the first year of a new seven-year plan. Others, such as Czechoslovakia, Hungary and Poland, remain formally faithful to the old plan periods ending in 1960 and 1965; but they too have set new targets for the immediate future and have in some respects revised earlier policies.[1]

Few details of the new long-term plans have yet been published; and it is everywhere emphasized that such targets as have been — or will eventually be — announced are to be regarded rather as a general policy framework for the subsequent development of annual plans than as a pattern to be followed at all costs. Nevertheless, the discussions of the past two years or more, conducted both in the Council for Mutual Economic Aid and bilaterally, have already led to a series of agreements on specialization in production, and of trade agreements, covering the years up to 1965. To these, consultations on the over-all plans have formed an essential background.[2] They have been followed by revisions of plans for 1959 and 1960 introduced almost simultaneously in each country, and indicating similar changes of policies.

The Speeding-up of Investment

The most striking common feature of the plans of all the eastern European countries is the substantial increase in the rate of fixed capital formation everywhere intended in 1959 (see Table 1), in marked contrast with the policies of the recent past.[3] Following the events of late 1956 in Hungary and Poland, the distribution of resources was everywhere modified in 1957 in favour of faster rises both in consumption and in investment in stocks, at the cost of reductions in the rates of growth of fixed investment (or even absolute falls) and borrowing from abroad. The year 1958 was, in most countries, a year of consolidation, with disposable national income corresponding more closely to net domestic production than in 1957. Increases in consumers' incomes were generally small, though supplies of consumers' goods had to be expanded to meet demand generated by the increases in incomes of the previous year; and exports rose more than imports (except in eastern Germany) as the 1957 credits were exhausted. The rate of growth of fixed investment was everywhere greater than in 1957, though still less than in earlier years (except of course in Hungary). Moreover, its composition both in 1957 and in 1958 remained more oriented towards agriculture and housing, and somewhat less concentrated on industry, than in the past. Industrial output everywhere developed favourably as a result of better supplies of raw materials and energy, partly imported from abroad, and of previous investment efforts yielding results in 1957 and 1958; and the effects of adverse weather conditions on agricultural output were the main causes of a lower rate of over-all economic growth in 1958 in Rumania and of a somewhat slower recovery than might otherwise have been registered in Hungary.

[1] Eastern Germany has formally adopted the seven-year plan period (1959-1965), but has revised the industrial output targets for 1959 and 1960 originally set in 1957 without revising the corresponding original 1965 targets. The explanation is that the latter were set at levels inconsistent with the earlier 1959 and 1960 plans, but justified by the currently better prospects for those years.

[2] See section 2 of the article on "Foreign Trade and Economic Development in Eastern Europe and the Soviet Union" in this *Bulletin*.

[3] For a more detailed account of developments in the last two years, see *Economic Survey of Europe* for 1957, Chapter I, and for 1958, Chapter I.

TABLE 1

Some indicators of economic development in eastern Europe and the Soviet Union

In constant prices

	Net domestic product	Personal consumption	Accumulation	Gross fixed investment	Accumulation	Personal consumption
	Average annual percentage rate of growth				Percentage of net domestic product	
Czechoslovakia						
1950-1955	8	4	..	9	25 [a]	62
1956	6	6	..	22	20	61
1957	7	9	..	10	18 *	62
1958	8	2	..	9 [g]	..	58
1959 Plan	6	7 [b]	..	13	..	59
1957-1965 Plan	..	5	..	9	..	..
Eastern Germany						
1950-1955	10	11	10 [c]	19 [d]	8	83
1956	2	6	49	34	12	78
1957	9	7	13	9	12	78
1958	8 *	..	..	15	..	..
1959 Plan	..	..	..	21	..	..
Hungary						
1950-1955	6	6	7	3	29	53
1956	−11	9	−72	4	4	84
1957	21	7	575	−4	22	75 *
1958	5	2 *	−22	14	17 *	73 *
1959 Plan	8 [e]	8 *	..	17	..	73 *
Poland						
1950-1955	9	..	..	12 [f]	25	60
1956	9	11	−2	3	20	74
1957	8	12	19	7	21	74
1958	6	4	4	8	23	72
1959 Plan	6	7	−1	12	22	72
1960-1965 Plan	7	6	8	6	..	..
Rumania						
1950-1955	14	..	..	18 [d]	25	..
1956	−7	..	..	12 [d]	..	..
1957	16	..	..	−8 [d]	..	..
1958	5	..	..	12 [d]	..	..
1959 Plan	13	..	..	15 [d]	18	..
Soviet Union						
1950-1955	11	..	..	11 [d]	26	..
1956	12	..	..	17 [d]	25 *	..
1957	6	..	..	12 [d]	..	..
1958	9	..	..	11 [d]	..	..
1959 Plan	8	..	..	11 [d]	..	..
1958-1965 Plan	7	..	..	..	..	..

Sources: Statistical yearbooks and bulletins; plans and plan fulfilment reports and *Contemporanul*, 15 May 1959.

NOTE. — The percentage cumulative rates of growth in each plan period refer to increases between the base year and 1955 (or 1965), whereas the percentage shares of accumulation and personal consumption cover the actual years of the relevant plan period (e.g., 1951 to 1955 inclusive).

[a] Annual average for 1949-1953 plan period.

[b] Collective consumption is to be increased by 4 per cent over that of 1958.

[c] Including foreign trade subsidies.

[d] State investment only.

[e] Revised plan.

[f] Centrally planned gross investment.

[g] The correction by the Czechoslovak authorities of the estimated rate of growth of fixed investment in 1958 from 5 per cent to 9 per cent reduces the apparently very large stock-building noted in the SURVEY for 1958, Chapter I, p. 11.

In every country the authorities are now embarking on a new investment effort. In Czechoslovakia and eastern Germany the relative shortage of manpower, already felt for some time, gives rise to a need for higher investment if a rapid rate of growth is to be maintained, even though there are still sectors (e.g., agriculture) of actual or potential labour surplus in the former country. In Poland, Rumania and Bulgaria, the contrasting situation of a rapid increase in the age groups entering the labour market will in a few years call for the creation of new employment opportunities outside agriculture, only

to be provided by growing investment. The Soviet Union belongs to both groups: today facing relative labour scarcity, in a short time to be confronted with a suddenly increased flow of new workers.[3a]

As can be seen from the figures in Table 1, the rate of increase in gross fixed investment planned in 1959 is similar, in almost all eastern European countries and in the Soviet Union, to the average annual rate in the years of the investment drive of the early 1950s, though in the latter country this represents no increase on the rates of growth of the more recent past. In several countries of eastern Europe the present investment plans result from an upward revision of the targets originally announced for 1959. In Poland, the 8 per cent rise originally planned has been increased to 12 per cent; and in Czechoslovakia and eastern Germany the investment effort originally contemplated is to be intensified, despite the fact that the past relaxations were less in these countries than elsewhere. To a considerable extent, however, these revisions reflect the more optimistic views now prevailing of production possibilities in 1959 rather than any scaling-down of earlier plans for increases in consumption.

It is also clear that for several countries — Czechoslovakia, Poland and Hungary — the rate of increase of fixed investment planned for 1959 is considerably higher than the average contemplated under the new long-term plans. The sudden intensification of investment activity in these countries is partly attributable to a desire to complete certain projects, delayed in the past few years, which are basic to the 1960-1965 industrial plans. It may also be that the relatively favourable conditions for industrial expansion at the present time, contrasting with the slow advance of agriculture (subject also in most countries to new collectivization drives and other policy changes) have led the planners to the conclusion that the consumption and investment targets set for 1965 can best be realized through a relative speeding up of investment as compared with consumption in the early years of the new plans followed by a greater concentration on consumption in the later stages.

Few details of the structure of investment planned in 1959 are yet published in any country. It is clear that investment in housing and, in some countries, in transport — two sectors relatively neglected until about 1955 or 1956 — will continue rapidly to increase.[4] In Hungary, investment in state and co-operative farms is to rise by 160 per cent (from 0.9 to 2.4 billion forints), following the rapid extension of co-operative farming. In eastern Germany, total investment in agriculture should rise by one-third — of which state credits for agricultural building by half — and in Rumania by about one-quarter. In both these countries, this probably represents the the highest level of investment in agriculture of any post-war year. Bulgaria also has ambitious plans in this field; and in Czechoslovakia a 12 per cent growth of agricultural investment is planned. In Poland, the expected increase is of some 4 to 5 per cent.

Within industry, for which increases in fixed investment are planned everywhere, the distribution among different branches seems generally to be less uneven than in the early 1950s, though precise data are few. In Czechoslovakia, at least, the increment of total industrial investment will be largely directed towards the metallurgical, chemical and building industries; and chemicals are a priority sector for the second consecutive year fairly generally in eastern Europe, as in the Soviet Union.[5] In Hungary, efforts are concentrated on mining, electric power and engineering, as well as chemicals. In Bulgaria, food-processing and other light industries are to receive a much larger share than before of centrally planned investment (11 per cent and 7 per cent respectively, as compared with a combined share of 9 per cent in 1957), and over 30 per cent of all such investment in industry.[6] The greatly increased investment in food processing is linked with the agricultural production plans referred to below, and with the current efforts to build up a much greater export trade with the other countries of the area in canned vegetables and fruits, wines and other foodstuffs.

The Growth of Consumption

Although the planned rates of growth of fixed investment in eastern European countries in 1959 are reminiscent of those of the first half of the present decade, the plans nearly everywhere indicate a higher priority for consumption increases than was generally accorded in those years — a priority not unrelated to the efforts being made to improve incentives for labour productivity and generally greater efficiency of production. The plans for personal consumption and retail trade turnover suggest that the slowing down of the growth of personal consumption in 1958, experienced everywhere except

[3a] See below: "Foreign Trade and Economic Development in Eastern Europe and the Soviet Union", Table 8.

[4] Investment in transport is planned to rise by 17 per cent in Czechoslovakia, and by 20 per cent in Poland.

[5] Precise estimates of the increase in investment in this sector in 1959 are as yet available for only a few countries: eastern Germany, 25 per cent; Rumania, 50 per cent; Poland, 14 per cent.

[6] The total of 3,507.7 million leva to be invested in industry under central plans is allocated to individual industries as follows (percentages):

Electric power plant construction	18.0
Food processing	18.5
Light industry	12.1
Mining and metallurgy	12.1
Geological surveying	9.8
Coal industry	9.0

Source: Decree on 1959 State National Economic Plan.

TABLE 2

Development of commodity output, retail trade and some services in eastern Europe and the Soviet Union

Average annual percentage rates of growth

	Gross industrial output	Agricultural output	Completed dwellings	Retail trade turnover	Transport of goods [a]
Albania					
1950-1955	22	..	..	14	19
1956	8	..	..	18	13
1957	26	..	..	22	33
1958	20	..	..	27	13
1959 Plan	17	26 [b]	..	15	..
Bulgaria					
1950-1955	14	3 [b c]	9	9	..
1956	15	−7 [b]	−3	6	..
1957	15	16 [b]	..	10	..
1958	13	1 [b]	..	11	..
1959 Plan	28	74 [b]	..	23	..
Czechoslovakia					
1950-1955	11	−1 [c d]	6	7	12
1956	9	−4 [d]	26	9	8
1957	10	±0 [d]	1	9	15
1958	11	3 [b]	−18	1	9
1959 Plan	10	12 [b]	26	5	9
1957-1965 Plan	9	3 [d] / 4½ [b]	5	5	9
Eastern Germany					
1950-1955	14	2 [d]	..	13	11
1956	6	−4 [d]	1	3	8
1957	8	10 [d]	101	7	7
1958	11	6* [d]	3	10	13
1959 Plan	11	..	45	11	6
1958-1965 Plan	9	..	10	..	..
Hungary					
1950-1955	15	3 [d]	5	5	1
1956	−9	−17 [d]	−19	12	−8
1957	16	18 [d]	102	6	15
1958	11 [e]	−3 [d]	−18	3	9
1959 Plan	9 [e]	9 [d]	−7	6	..
Poland					
1950-1955	16	2 [d]	7	7	9
1956	10	5 [d]	+5	16	3
1957	10	4 [d]	29	23	7
1958	10	3 [b]	±0	9	±0
1959 Plan	8	4 [b]	..	10	3
1960-1965 Plan	9	4 [b]	.. [f]	..	..
Rumania					
1950-1955	15	4 [c d]	3	18 [g]	12
1956	11	−38 [d]	40	10 [g]	6
1957	9	53 [d]	±0	13 [g]	9
1958	10	..	..	4 [h]	2
1959 Plan	10	..	..	10 [g]	..
Soviet Union					
1950-1955	18	3* [b]	7	13	10
1956	11	13* [b]	5	9	12
1957	10	−2* [b]	44	14	13
1958	10	11* [b]	31	8	8
1959 Plan	9	..	17	..	..
1958-1965 Plan	9	11 [b]	.. [i]	7	6

Sources : Statistical yearbooks and bulletins; plans and plan fulfilment reports; *Annual Bulletin of Housing and Building Statistics*; and *Contemporanul*, 15 May 1959.

NOTE. — The percentage cumulative rates of growth in each plan period refer to increases between the base year and 1955 (or 1965). For retail trade turnover, the 1950-1955 figures and the new plans are generally in volume terms as are all the data for Czechoslovakia and Hungary. Otherwise data are usually in current prices.

[a] In ton-km. [b] Gross.
[c] Average 1950-1951 = 100. For Rumania, the period covered is 1950-1956.
[d] Net. [e] Socialist industry only.
[f] Housing investment should increase by 11 per cent per annum.
[g] Socialist trade only. [h] Nine months.
[i] On a net basis, the increase is 7 per cent.

in Albania, Bulgaria and eastern Germany, should be succeeded this year by significant increases, though not usually on the 1956/57 scale (see Tables 1 and 2).

With industrial production planned to rise at rates little different from those of 1958 — except in Albania and Bulgaria — and little reason to expect marked improvements in terms of trade, it is clear that the achievement of the targets for both fixed investment and personal consumption must depend heavily, in the absence of external aid, first on the realization of significant increases in agricultural production (especially of animal products) and, secondly, on smaller investments in stocks than last year. During 1957/58, most countries undoubtedly built up stocks, both of raw materials and of manufactured consumers' goods, probably somewhat surpassing the levels necessary for current rates of output. Nevertheless, to raise industrial output in 1959 by some 10 per cent — as is almost everywhere planned [7] — with a reduction in industrial stock-building will call for thrift and skill in operating with the available supplies. Moreover, it will be necessary so to adjust consumer-goods output as to avoid any further accumulation of excess stocks of some consumers' goods (mainly textiles and clothing), such as have been widely reported to exist and even to be still increasing, if the resources allocated to consumption are to have their maximum effect in satisfying final demand.

The Growth of Output

Such data as exist on over-all production plans for 1959 are illustrated in Tables 1 to 4. Increases in gross farm output of some 3 to 5 per cent are foreseen in Hungary and Poland, and a similar or only slightly higher rate of growth in eastern Germany. No explanation has been published of the extraordinarily high target for gross agricultural production in Czechoslovakia (an increase of 12 per cent over the 1958 level), which is expected to be achieved after many years of stagnating net output (see Table 2). It may be that net output is expected to rise much less — a supposition strengthened by the far more modest targets of the 1960-1965 Plan. It may also be that the intention in 1959 is to concentrate on raising output of animal products — to meet the increases in demand generated by the changes in real incomes noted in section 4 below — on the basis of larger inputs of imported feeding-stuffs. Such a policy would tend to raise gross output faster than net output, and the considerable rise planned in other inputs might well have a

[7] Albania and Bulgaria plan much higher rates of growth.

similar effect.[8] However, it is clearly also hoped that the increase in the scale of farming operations following collectivization will lead to such benefits as lower harvesting losses, which would raise net output.[9]

Although few data on the levels of external trade planned for 1959 have yet been published, it is apparent that efforts are being continued everywhere in eastern Europe to maintain the expansion of imports, which was a major contributor to the smoother growth of industrial production experienced in 1958.[10] Foreign trade turnover is expected to rise in value by 11 per cent in Czechoslovakia and eastern Germany; in Hungary, increases of 17½ per cent in imports and 10 per cent in exports are planned; and in Poland smaller increases in the volume of both imports and exports are expected.

In addition to a rise by one-third in imports of machinery and equipment, large increases are expected in imports of a number of key raw materials into eastern Germany (thousands of tons):

	1958	*1959 Plan*
Iron ore	912	1 010
Rolled steel	1 173	1 247
Pig iron	555	660
Aluminium (including alloys)	30.8	36.5
Zinc	28.4	32.3
Crude oil	1 126	1 420
Wool	12.2	16.8
Long staple cotton	11.6	15.0

Source: Neues Deutschland, 27 January 1959.

The data so far available on industrial output plans for 1959 (see Table 3 and Table 7 below for illustrations of their main features) vary considerably in their comprehensiveness from country to country. Among the more industrialized countries of the area, the fairly even growth of production in the producer-goods sectors in Czechoslovakia — with considerably smaller rates of growth planned for manufactured foodstuffs and other consumers' goods — contrasts with the sharper differences from one branch of industry to another elsewhere. Engineering appears to remain the most dynamic branch in all countries for which data are available,[11] except probably the Soviet Union. There, the first quarter's results suggest that it may be surpassed by the building-materials industries, and the rate of growth of chemicals production was already well above that of engineering in 1958.

Building materials are one of the most rapidly growing branches of output in other countries also. However, the chemical industries, despite their great importance in the long-term plans, as yet appear rather as major recipients of investment resources than as particularly dynamic sectors of current production in most eastern European countries except Poland and Rumania. In both these countries they already, in the 1959 plans, take first place; and in Rumania 15 per cent of all chemicals output in 1959 is expected to be contributed by newly commissioned capacity, helping to raise total output 27½ per cent above the 1958 level.[12]

The impact of the later expansion planned in this sector on the pattern of output in the engineering industries can, however, already be seen. Production of chemical equipment in 1959 is expected to rise by 31 per cent in Czechoslovakia, by 18½ per cent in eastern Germany and by 20 per cent in Rumania. The claims of agriculture are similarly reflected in the 17 per cent rise in tractor production planned in Czechoslovakia,[13] and the 50 per cent rise in output of all agricultural machinery by centrally managed enterprises in eastern Germany.

In eastern Germany, the core of the 1959 Plan is production in the metal-using and building-materials industries. Construction in that country should rise by 17 per cent to meet all investment needs. The metal-using sector, with plans for a 13 per cent rise in output, is expected to produce 14 per cent more exports than in 1958; and production of metal-made consumers' goods (partly for export) should rise by 18½ per cent. The planned increase in metal supplies — even allowing for stocks of semi-finished products carried over from 1958 and for imports — is less than the planned growth of output in the metal-using industries, and further shifts in the pattern of output towards more labour-intensive products are to take place.

In the consumer-goods field, the lower — or at least no higher — rate of growth than in 1958 planned

[8] Supplies to agriculture in Czechoslovakia:

	Unit	*1958*	*1959 Plan*	*1959 Plan (1958 = 100)*
Agricultural tractors	Thousand	9.5	12.4	130
of which:				
Tractors Z-35 [a]		2.3	4.1	178
Agricultural machinery		..	..	150
Nitrogenous fertilizer	Thousand tons of pure content	479	536	117
Phosphorus fertilizer				107
Potash fertilizer				..

Source: Rudé Právo, 24 December 1958 and 11 February 1959.

[a] Medium-size cultivator tractor.

[9] It may be noted that, in the past, the plans for agricultural output in Czechoslovakia have always been much higher than the actual production achieved.

[10] See the SURVEY for 1958, Chapter I, and "Foreign Trade and Economic Development in Eastern Europe and the Soviet Union", section 1, in this *Bulletin*.

[11] Probably also in Hungary, judging from the indications of the original 1959 Plan, now revised, and of the Plan for 1960.

[12] Increases planned in other major sectors are 23 per cent in metallurgy and 14 per cent in engineering, with higher-than-average increases in output of equipment for the oil and chemical industries.

[13] Also in the 27 per cent planned increase in production of nitrogenous fertilizers and 11 per cent for phosphorus fertilizers. See also footnote 8 above.

TABLE 3

Gross output of industry, total and by main branches, in some eastern European countries

Average annual percentage rate of growth

	1950-1955	1956	1957	1958	1959 Plan	Long-term Plan
Czechoslovakia						1957-1965
Gross industrial output	10	9	10	11	10	9
of which : Engineering	19	14 [a]	11	15	15	11
Chemicals	15	13	14	11	10	12
Food processing	6	6	8	6	5	4
Other consumers' goods	9	8	10	11	5	5
Eastern Germany						1958-1965
Gross industrial output	14	6	8	11	11	9
of which : Engineering	16	10	6	16	13	..
Chemicals	14	8	7	10	10	11
Light industry	11	2	6	11	11	..
Hungary [b]						1958-1965
Gross industrial output	15	−9	11	12	6 [c]	7
of which : Engineering	20	−7	10	17	11	9
Chemicals	18	−7	28	16	6	10
Light industry	11	−18	26	11	3	..
Food processing	14	−4	5	3	4	..
Poland						1960-1965
Gross industrial output	16 [d]	10	10	10	8	9
of which : Engineering	30 [d]	13	15	12	12	12
Chemicals	26 [d]	10	15	16	15	15
Textiles and clothing	15 [d]	10	10	10	7	4
Food processing	16 [d]	8	9	6	6	7
Soviet Union						1958-1965
Gross industrial output	18	11	10	10	9	9
of which : Chemicals	..	11	11	13	..	17
Light industry	..	4	6	9	..	6

Sources : Statistical yearbooks and bulletins; plans and plan fulfilment reports.

NOTE. — The percentage cumulative rates of growth in each plan period refer to increases between the base year and 1955 (or 1965).

[a] Net output increased by only 9 per cent (*Rudé Právo*, 20 April 1959).

[b] Only state industry, except for 1958-1965 long-term Plan, for which no precise coverage is given.

[c] Initial plan; the revised plan foresees an estimated increase of about 11 per cent.

[d] 1949-1955.

for output of textiles and clothing in Czechoslovakia, eastern Germany and Poland responds to the relatively slack demand for some ranges of those goods in all countries of the area, contrasting with the continuing strong demand for high-quality foodstuffs and, for the time being, the insatiable demand for many consumers' durable goods.

The Plans of Bulgaria and Hungary

The plans of two countries require some more specific attention, though for different reasons ; that of Bulgaria because of its extraordinarily ambitious targets, and that of Hungary because it incorporates major revisions of earlier expectations.

In Bulgaria the 1959 Plan provides for increases of 34 per cent in national income, 28 per cent in gross industrial output, 35 per cent in construction, and 74 per cent in gross output of agriculture ; fixed capital formation is to rise by 36 per cent, personal consumption (in current prices) by 18 per cent, and retail trade turnover by 23 per cent. The planned rise in total accumulation of 100 per cent appears to imply a seven-fold increase in the value of stocks, including work in progress.[14] The expansion of output is to be supported by increases of 51½ per cent in the value of exports, and of 60 per cent in imports.

Unfortunately, the lack of information on the methods of calculation of these aggregates, and on the underlying estimates of output (on a " value added " basis) in particular branches of production, makes it impossible to assess their implications or the pro-

[14] Unless such activity as the (greatly increased) irrigation works of the co-operative farms is included in total accumulation but not in fixed investment.

TABLE 4

Some main indicators of the Plans for 1959 and 1960 in Hungary

	1958	1959 Initial Plan	1959 Revised Plan	1959 Revised Plan	1960 Plan
	Percentage change from previous year			Percentage change from 1957	
Net domestic product	4.6	6.3	8.3	13.0	13.0
State gross fixed investment	13.6	12.8	12.8 [a]	28.1	8.7
Gross output of state and co-operative industry	11.2	4.7	9	22	22.0
Gross output per worker in state industry	8.3	3.2	5	13.7	15.0
Production costs in state industry	−4.9 *	−1.4	−2.5	−7.3	−6.0
Real wages and salaries per wage earner	1.9	2.8	c. 4.2 *	c. 6.2 *	6.0
Gross output of agriculture	5.1	3.1	3.1	8.4	c. 12.5
Real farm incomes per family member	−8.0	13	13	4	4.0
Retail trade turnover at constant prices	3.3	6.4	6.4 *	10 *	c. 13.5

Sources: *Közgazdasági Szemle* No. 11, 1958, p. 1164; *Statisztikai havi Közlemények* No. 3, 1959, p. 18; *Pénzügy és Számvitel* No. 3, 1959, p. 86; *Figyelő*, 31 March 1959 (1958); *Népszabadság*, 10 December 1958; *Pénzügy és Számvitel* No. 3, 1959, p. 9; Official reply to the United Nations Questionnaire for the World Economic Survey (initial plan for 1959); *Népszabadság*, 8 and 29 March 1959 (revised plan for 1959).

[a] The revised global target is as yet unknown, but additional provision, certainly not fully compensated by cuts elsewhere, has been made for state investment in agriculture.

bability of their being achieved.[15] It can at least be inferred, however, that the 74 per cent rise in gross agricultural output is calculated on a basis that includes a great deal of duplication — possibly including even the special irrigation and other work done during the past winter — and that the net increase expected cannot be so large. Nevertheless, an unprecedented increment of output will be required if total exports are in fact to rise by 50 per cent, and personal consumption by 18 per cent.

In Hungary, a recent resolution of the Central Committee of the Hungarian Socialist Workers' Party, less than three months after the initial introduction of the 1959 Plan, calls for a substantial acceleration of output, primarily in industry, implying a revision of the targets of the 1958-1960 Plan laid down in June 1958. Part of the expected extra output is to be distributed through a rise in wages, but some additional reserves seem to be constituted, of which part is already being channelled towards either investment or exports (see Table 4).

The expansion of production in socialist industry is to be nearly twice as high this year as was expected in the initial version of the plan, thereby reaching the level originally foreseen for 1960. Employment should rise by 3½ per cent instead of the 1½ per cent originally forecast, and gross output per worker by 5 per cent instead of 3½ per cent. This implies the attainment of the original productivity targets for 1960 in the fourth quarter of 1959. Production costs, assuming supplementary sources of cost reduction, should develop even more favourably, and fall this year below the cost level formerly planned for 1960. The part of the additional output going to consumption should permit real wages to be already higher this year than they were at first expected to be in 1960.

[15] The apparent inconsistencies of the main production estimates may be in part attributable to the fact that a number of different price bases have been used for the individual volume index numbers. However, this complicates the problem of interpretation still further.

2. Developments in Eastern European and Soviet Agriculture

Collectivization in Eastern Europe

The rapid extension of collective farming in eastern Europe during 1958 [16] has been continued with unabated vigour in the majority of the eastern European countries in the first quarter of this year; and particularly rapid progress is reported from Hungary — even greater than that registered in Czechoslovakia last year (see Table 5).

The decision to embark on a new wave of collectivization in Hungary appears to have been taken about the turn of the year,[17] and has been carried out with sufficient energy to increase the area of state and co-operative farms from about 25 per cent to about 45 per cent of the total arable land in the country during the first three months of 1959. It seems that

[16] See *Economic Bulletin for Europe*, Vol. 10, No. 3, 1958, p. 33 *et seq.*; and *Economic Survey of Europe in 1958*, Chapter I, p. 20.

[17] See *Népszabadság*, 9 December 1958, and announcement on the Resolution of the December 1958 session of the Central Committee of the Hungarian Socialist Workers' Party (*Társadalmi Szemle*, No. 1, 1959, pp. 1-12).

TABLE 5

Collectivization of agriculture in Czechoslovakia and Hungary

	Co-operative farms				Area of state farms [b]	
	Number of individual farms incorporated [a]	Number of members	Area [b]			
	Thousands		Thousand ha	Percentage of the total	Thousand ha	Percentage of the total
Czechoslovakia						
End 1956	241	395	2 109	28.6	1 234	16.7
End 1957	437	656	3 257	44.4	1 266	17.3
End 1958	593	852	3 996	54.4	1 350	18.4
End March 1959 . .	621	887	4 130	56.2	..	..
Hungary						
End September 1956 .	273	343	1 123	20.8	677	12.6
End 1956	98	119	459	8.5	670	12.4
End 1957	133	156	624	11.6	687 *	12.8 *
End 1958	143	169	726	13.5	..	12.8 *
End March 1959 . .	439	523	1 675	31.1	..	12.8 *

Sources: National statistics; *Rudé Právo*, 25 April 1959; and *Népszabadság*, 11 and 16 April 1959.

[a] For Hungary, number of households.

[b] In Czechoslovakia, agricultural land, excluding private plots of co-operative farm members; in Hungary, arable land. An additional 5.1 per cent of the arable land in Hungary is in the hands of the various state enterprises and municipalities, or of members of co-operatives as their household plots. (March 1959.)

the bulk of new entrants consists of medium peasants; and although "kulaks" are also admitted, they are not eligible for membership of the farm committees. The number of co-operative villages has risen from 50 to 1,359 (out of a total of 3,202), mainly in such districts as Györ, Sopron, Szolnok Veszprém and Fehér.[18] There was also a shift towards more advanced types of agricultural co-operatives, both among those already established and among the newly created co-operative farms.

Pressure on peasants to join co-operative farms has been accompanied by measures to ease the problems of such farms in the early stages, as well as by more general measures to improve their situation. Co-operative farms may now obtain medium-term credits of up to 60 per cent of their own indivisible funds. Tariffs for services from machine and tractor stations are reduced by half for the first year of the establishment or large-scale expansion of a farm, and in the next year by a quarter. Trained agricultural experts have to be engaged by any co-operative farm with an area exceeding 290 hectares. The co-operatives have also been given some possibility of amending the model statutes to suit their individual circumstances, subject to approval by the appropriate district council.[19]

In Czechoslovakia, the socialist sector of agriculture (including land belonging to municipalities and industrial enterprises) covered almost 80 per cent of all agricultural land by the beginning of April 1959; and the Government expects to achieve almost complete collectivization of agriculture in the course of the next two or three years.[20]

As already noted, Czechoslovak agriculture in recent years has been lagging far behind the development of other branches of the economy, and also persistently failing to achieve the production targets set in the annual plans. Both yields and total production of the main crops — such as grain and potatoes — have tended to stagnate; and the numbers of cattle (and of cows alone), which reached roughly the pre-war level in 1953, have declined ever since, whereas yields have hardly improved. The number of pigs has increased rapidly, as in other eastern European countries, and at its peak at the end of 1957 was about 75 per cent greater than in 1937.[21]

Three main economic factors seem to have been among the considerations motivating the 1958/59 collectivization drive in Czechoslovakia. The first is the past failure to raise output under conditions of small-scale private farming; the second is a reluctance to face any longer a continually mounting

[18] *Népszabadság*, 11 April 1959. The results of the collectivization drive surpassed the Government's expectations. Mr. Kadár stated that he readily admitted that progress in the producers' co-operative movement had taken place somewhat faster and had assumed greater proportions than he had expected in the first days of December (*Népszabadság*, 4 April 1959).

[19] See *Magyar Közlöny*, 1 February 1959, and ibid., 19 March 1959.

[20] The Secretary of the Communist Party recently declared that "by 1961 virtually all farmers will have had to join the agricultural co-operatives" (*Rudé Právo*, 21 March 1959).

[21] A 3 per cent fall in pig numbers nevertheless occurred in 1958, and this fall continued into the early months of 1959.

import bill for foodstuffs, combined with the belief that economic efficiency in agriculture (given the Czechoslovak manpower situation) depends in the long run on large-scale farming — which is, of course, acceptable in Czechoslovakia only on a co-operative or state-farm basis; the third factor was clearly a desire to escape as soon as possible from the inevitable dilemma of the transition period, when every measure designed to encourage a growth of output in private farms tends to discourage peasants from joining collectives and discriminatory help to co-operatives tends to lower output from private farms.

Special efforts, in which the trade unions have been enrolled, are also being made in Czechoslovakia to persuade the owners of the very small farms of less than 2 hectares [22] — mainly in the "peasant-worker" class — either to join co-operatives or to hand over their land, with a member of the family working in the co-operative, and to concentrate themselves on work outside agriculture.

As in Hungary, special efforts are being made to help the new co-operatives. Supplies to agriculture are to be greatly increased this year,[23] and a 37 per cent rise in investment in co-operative farms is planned. The Congress of Co-operative Farms held in the second half of March in Prague stipulated that at least 10-12 per cent of the total cash income of co-operatives should be allocated to indivisible funds destined primarily for investment. At the same time, various measures are being taken to secure improved levels of income for co-operative farmers, which it is hoped will encourage output. However, the problems still exercising the architects of farm policy in the Soviet Union [24] — of farm members devoting a disproportionate amount of time to cultivation of private plots and care of privately owned animals, to the detriment of the land and livestock of the collective — are already causing increased concern in Czechoslovakia.[25] Measures similar to those already introduced in the Soviet Union are being taken to deal with such problems, including the progressive substitution of cash payments for remuneration in kind for work done for the collective, and provision for larger advance payments for such work in anticipation of the final distribution of the disposable income of the co-operative.[26]

In most of the remaining countries of eastern Europe, collectivization has continued fairly steadily. In Rumania, the Government decreed at the end of March the expropriation (with compensation by the State) of all land not directly cultivated by the owner and his family; and, in practice, this decree forbids such arrangements as share cropping, renting of land and hiring of farm labour.[27]

In eastern Germany, efforts are made to persuade medium farmers to join the loosest form of co-operative farm, as well as to facilitate the transformation of such farms into more integrated types. New regulations recently issued have stressed again that all land brought into a co-operative farm remains private property, and is subject to inheritance and other rights, provided that the new owners remain members of the co-operative.

In Poland, the main efforts in this field are still devoted to strengthening the existing state and co-operative farms — in which some success has been achieved. Gross output in state farms in 1958 was about 20 per cent above that of 1955, and the number of employees was 17 per cent less, indicating an increase in labour productivity of about 40 per cent in two years. Average yields of the four basic grains increased from 11.9 quintals per hectare in 1956 to 14.8 in 1958, in roughly similar climatic conditions. Financial losses were reduced from about 4,000 million zlotys in 1956 to about half as much in 1957 and 1958, with only slightly increased delivery prices, and should disappear altogether in 1959/60. Nevertheless, performance is not yet considered to be satisfactory, and attempts to improve standards of management include the projected transfer of about 10 per cent of highly trained experts employed in administration and in scientific institutes to direct work in state farms.[28] In addition, wages and salaries were revised upwards from 1 January 1959, and new premia for successful management introduced. Control over state farms has been transferred, from 1 January 1959, from central authorities to provincial national councils, and the farms have

[22] The 800,000 farms still in individual ownership in April 1959 cover only 1,500,000 hectares of agricultural land, and a majority of their proprietors are "peasant-workers".

[23] See footnote 8 above.

[24] See *Economic Survey of Europe in 1958*, Chapter I, pp. 19-20.

[25] In Czechoslovakia, private plots of co-operative farm members at the beginning of 1959 represented about 4 per cent of the total agricultural area, while net agricultural production from such plots was estimated at 18 per cent of the total. It is reported in Czechoslovakia that in many co-operatives proceeds from private plots accounted for half or more of the total income of co-operators (*Rudé Právo*, 20 March 1959).

[26] The recent Congress of Co-operative Farms resolved that "... payments in kind per labour unit can be made only to an extent that does not exceed the needs of the co-operator and his family working in the collective farm, as well as the needs of an admissible number of privately owned animals" (*Rudé Právo*, 4 May 1959).

[27] It may be expected that this decision will result in an increase not only of the area under socialist farming, but also of the numbers employed in state and co-operative farms, since these will provide the only agricultural employment available to the landless among the rural population.

[28] It is estimated in Poland that about one-third of all managers of state farms in 1958 are inadequately qualified for their functions.

been relieved of financial responsibility for upkeep of buildings on their property not required for their own operations.

The Congress of the Polish United Workers' Party held in March 1959 gave an occasion to define again the policy of gradual progress towards an eventual socialist organization of agriculture. In pursuit of this aim, numerous encouragements to co-operative farming are offered [29] but, at the same time, care is being taken to ensure that fears of compulsory collectivization inhibit as little as possible the efforts and enterprise of individual farmers. It is repeatedly emphasized that farmers should join co-operatives only if they genuinely desire to do so; and encouragement and support are being continued for all forms of collective activity spontaneously organized by farmers themselves — mainly through the "agricultural circles". The further development of milk and vegetable co-operatives and also of general purchasing and marketing co-operatives is envisaged.[30]

At the beginning of the year, the Research Institute of Public Opinion in Warsaw carried out an inquiry [31] among private farmers in the whole country on several agricultural problems, such as the possibilities of increasing agricultural production, fragmentation of farms, etc. Almost 80 per cent of all farmers questioned stressed the possibility of improving their farming given better supplies of fertilizer, fodder, selected seeds and animals, building materials, machinery, etc.; and more than half were of the opinion that more ample investment credits would bring a prompt increase in output. Questions concerning the impact of institutional factors on agricultural production revealed that 61 per cent of those questioned considered that higher output could best be achieved within the framework of continued private farming, 36 per cent mentioned membership of "agricultural circles" as most likely to promote higher production, and 4 per cent expressed themselves in favour of advanced-type co-operative farming. Only among those small farmers who obtained their land in the pre- and post-war land reforms was there a proportion as high as 10 per cent in favour of co-operative farming.[32]

[29] These include new reductions in taxes and obligatory deliveries, grants of land and buildings, state payment of agricultural experts' salaries for every collective farm above 200 hectares, a 25 per cent reduction in payments for MTS services, priority in purchase of goods in short supply, facilities for obtaining credits, and free health services for members of collective farms and their families.

[30] Milk co-operatives today include 317,000 members in 654 co-operatives, and possess about 17,000 milk-purchasing stations. There are 110,000 members of gardeners' co-operatives. General purchasing and marketing co-operatives have 3,350,000 members grouped in 2,537 associations.

[31] Covering 1,138 peasant farms.

[32] See *Zycie Gospodarcze*, No. 16, 1959.

Output and Marketing of Agricultural Products

It is too early yet to make any forecasts of this year's crop production. As has already been mentioned, supplies to agriculture of fertilizer, machinery and building materials are this year to be higher everywhere than in the recent past. If they and the available manpower are rationally used, there are good hopes that, with average weather conditions, production will be above last year's levels, the more so since in the four southern countries crop production in 1958 was relatively low. Prospects are said to be good in Poland, where at the end of March the condition of autumn sowings was considered the best in the last five years; but in Bulgaria and Rumania the situation was less promising because of low winter rainfall. In Hungary, reports suggest that favourable weather conditions may help to offset the effects on output of the inevitable initial difficulties following the rapid expansion of co-operative farming.

Particularly intense investment activity is reported in Bulgarian agriculture, where it is planned to utilize agricultural manpower *en masse* for irrigation and other soil-improving work. This is expected to increase the existing sown area by 9 per cent (about 380,000 hectares), and to increase the area under efficient irrigation by some 40-50 per cent (200,000 hectares). Supplies of artificial fertilizer are to be doubled, and deliveries of tractors substantially increased.

In Rumania also it is planned to intensify irrigation works by using the ample agricultural labour available; about 370,000 hectares are planned to be drained, and about 80,000 irrigated. Work will also start, on a small scale in 1959, on long-term irrigation plans in Czechoslovakia.

State procurements of the most important agricultural products in the first quarter of the year increased in Poland, Hungary and eastern Germany, and fell in Czechoslovakia as compared with the same quarter of 1958. Purchases of pork declined in all the four countries; but in Poland and Hungary, the fall was slight,[33] and was more than made good by larger purchases of beef. In eastern Germany, state procurements of cattle, milk and eggs were also above the level of the first quarter of 1958; but pig-breeding seems to have been further reduced.[34] At the beginning of March, the number of pigs fell below

[33] In Poland, it was due to a small decrease in the average weight of purchased animals, and not to a decline in their number. Part of the explanation is the better prices paid at present for "meat" types of pigs than for "lard" types. In total, state purchases of meat and milk were 5.4 per cent higher than in the first quarter of 1958.

[34] For a description of the situation in 1958, see the SURVEY for 1958, Chapter I, p. 24.

seven million — to their lowest level at any time since 1950-1951 — and state procurements during the first quarter were more than 10 per cent below those of the first quarter of 1958. In Czechoslovakia, as already mentioned above, animal production has for long been developing unsatisfactorily; and in the first quarter of 1959, it fell below the comparable 1958 level. It was thus not possible to reach the planned targets for obligatory deliveries of beef, pork and milk.

The fairly general policies of progressive abolition of obligatory deliveries and introduction of uniform prices paid for agricultural produce have been carried further in a number of countries. In Bulgaria, obligatory deliveries and payments in kind to MTS have been abolished as from 1 May 1959; and in Albania, changes in the same direction, but not as complete as in Bulgaria, have recently been announced. Prices for compulsory deliveries of certain products were considerably increased,[35] and unified prices established for some others, such as cotton, barley, sesame, potatoes, citrus fruits, olives and milk; and compulsory deliveries were abolished for beans, rice and eggs, as well as for all produce of the private plots of collective farmers.

From 1 January, prices for compulsory deliveries of livestock in Poland were increased on average by 23 per cent.[36] Farms of two hectares or less, already exempt from compulsory deliveries of grain and potatoes, saw such deliveries of animals reduced by half, recomputed in money terms and collected together with the land tax. Compulsory deliveries in Poland are steadily losing their character of a tax paid in kind; and in 1959 their share in the volume of state purchases of animals will drop to 18 per cent as compared with 50 per cent in 1952-1953 and 27 per cent in 1957.

In Czechoslovakia, it is announced that uniform prices for farm deliveries will be introduced before the start of the new agricultural year.

[35] Procurement prices have been raised as follows (in leks per quintal):

	Compulsory deliveries		*Supplementary deliveries*
	Old	*New*	
Wheat	750	1 500	2 400
Rye	600	1 400	2 000
Maize	600	1 300	1 900
Meat (live weight)	1 500	4 500	
Wool	5 000	10 000	

Unified prices are established for other produce as follows (the price quoted being averaged for qualities, and in leks per quintal): cotton, 6,300; distich barley, 2,300; sesame, 8,000; chick-peas, 7,000; potatoes, 1,000; citrus fruits, 3,000; goats' and cows' milk, 2,200; ewes' milk, 3,000. Olives will be bought at 23 leks a kilogramme. The average of past procurement prices is understood to have been lower than these new unified prices.

[36] The price increases for cattle (36 per cent) were greater than those for calves (22 per cent) to induce farmers to reduce the rate of slaughter of young stock and increase that of old cows. Price increases for pigs (22 per cent) and sheep (17 per cent) were well below those for cattle.

3. Industrial Production in Eastern Europe and the Soviet Union in the First Quarter of 1959

Plans for industrial output in the first quarter of the year were generally fulfilled — in respect of overall rates of growth — in all countries for which data are available, except eastern Germany;[37] and the recorded increases are at least as high as the rates of the plans for the whole year, save in Bulgaria and Hungary[38] (see Table 6). Given the normal seasonal pattern of production, this indicates a fairly generally satisfactory start on the year's plans.

The rates of growth reported in the four most industrialized countries are strikingly similar, though international comparison is rendered hazardous by differences in price structures, and in the weights of the relatively low-priced and relatively highly priced sectors in the different economies. It is, for instance,

Table 6

Gross output of industry in eastern Europe and the Soviet Union in the first quarters of 1958 and 1959

Percentage increase over same period of previous year

	1958 Year	1958 First quarter	1959 First quarter	1959 Plan for the year
Albania	20	..	22	17
Bulgaria	13	19 [a]	18	28
Czechoslovakia	11	10½	10½	10
Eastern Germany	11	11½	10	11
Hungary [b]	12	30	5	9 [c]
Poland	10	11	10	8
Rumania [c]	10	10	..	10
Soviet Union	10	11	11	9

Sources: Plans and plan fulfilment reports; and *Rudé Právo*, 23 April 1959.

[a] Bulgarian statistical bulletins indicate an increase of 14 per cent.

[b] State industry only.

[c] Socialist industry; for Hungary the estimate for state industry is +11 per cent.

[37] No data are, however, available on plan fulfilment in Rumania.

[38] In Hungary, the rate of growth achieved in the first quarter in fact conforms with the target for the whole of 1959 laid down in the original plan for the year and revised upwards in March 1959.

certain that a re-weighting of Bulgarian and Hungarian index numbers of production by means of a common price structure embodying sector disparities [39] rather less than those at present existing in either country would result in a far less acute contrast between their apparent rates of growth than appears in Table 6.

The good results of the first quarter were made possible, as last year, by the maintenance of generally adequate supplies of raw materials and energy. New capacities coming into operation also contributed to the rapid growth, though the tendency for completions of investment projects to lag behind plans is still apparent in a number of countries. In the Soviet Union, an unusually good harvest of sugar beet and other crops in 1958 helped to raise the output of the food processing industry during the quarter (see Table 7); but elsewhere food processing generally expanded less fast than in the same months of 1958. Finally, the mild winter and early spring no doubt reduced the normal transport delays, and

[39] Due to, *inter alia*, the varying incidence of turnover tax and pricing of new products.

TABLE 7

Indicators of industrial activity by branches in eastern Europe and the Soviet Union

Percentage increase over same period of previous year

	1958 Year	1958 First quarter	1959 First quarter	1959 Plan
Bulgaria				
Energy	14	13	23	23
Fuel	5	4	15	18 [a]
Ferrous metallurgy	26	27	22	22
Non-ferrous metallurgy	17	22	32	33
Engineering and metal-using	24	21	39	45
Chemicals	22	18	26	42
Building materials	18	15	41	30
Timber	5	4	18	..
Textiles	9	14	17	22
Food processing	22	4	6	29
Czechoslovakia [b]				
Coal	10	10	0	4
Electric power	11	9½	12	12
Pig iron	6	7	10	13
Crude steel	7	7	11	10
Rolled products	8	8	4	9
Cement	12	6	18	12
Cotton fabrics	9	10	3	1½
Woollen fabrics	11	10	3	5
Leather footwear	22	30	8	6
Eastern Germany				
Centrally managed industries: [c]				
Coal and energy	3	6	5	11
Mining and metallurgy	8	9	10	5 [d] / 8 [e]
Chemicals	9½	9	9	10
Heavy engineering	9½	11	16	12
General engineering	14	11	15	21
Textiles, clothing, leather	11	9 [g]	8	— [f]
Wood, paper, cellulose	7½		6	— [h]
Glass and ceramics	10		10	11
Food processing	12	24	−2	8
Hungary [b]				
Coal	14	40	3	0 [i]
Mineral oil	23	11	14	20
Electric power	19	43	9	9 [i]
Pig iron	31	109	3	..
Crude steel	18	72	1	−1 [i]
Rolled products	21	63	5	..
Aluminium	58	269	23	20 [i]
Nitrogenous fertilizer	92	68	138	109 [i]
Superphosphates	25	81	12	..
Cement	32	142	2	6
Cotton fabrics	5	38	−5	−2 [i]
Poland				
Heavy industries	11	7	15	10
Engineering	12	11	24	12
Chemicals	16	17	18	15
Textiles and clothing	10	10 [g]	6	7
Food processing	6	14	4	6
Soviet Union				
Fuel and power	10	11	8	..
Ferrous and non-ferrous metallurgy	9	9	9	..
Engineering and metalworking	14	14	13	..
Chemicals and rubber	13	12	11	..
Building materials	25	27	25	..
Timber, paper and woodworking	9	9	9	..
Manufactured consumers' goods	9	8	7	..
Food processing	5	8	13	..

Sources: Plans and plan fulfilment reports; and *Rabotnichesko Delo*, 13 March 1959.

NOTE. — The Bulgarian data for the first quarter of 1958 are for centrally administered industry only.

[a] Coal only.

[b] Based on change in output in physical units.

[c] The 1959 Plan refers to total industry.

[d] Mining.

[e] Metallurgy.

[f] Textiles: 10; ready-made clothing: 13; leather and shoes: 10.

[g] Light industry.

[h] Wood-processing: 14; cellulose and paper: 6½.

[i] Plan for the first quarter of 1959.

difficulties in branches particularly affected by weather conditions, and thus facilitated industrial activity generally.

The fragmentary data available on productivity and employment seem to indicate that, at least in eastern Germany and Hungary,[40] productivity has increased less and employment more than planned, whereas in Poland, the rise in output was entirely due to higher productivity, and in the Soviet Union and Czechoslovakia both productivity and employment plans were considerably over-fulfilled.

Eastern Europe

Information on gross output in individual branches of industry in eastern Europe is rather scarce, and not fully comparable from one country to another (see Table 7). In eastern Germany, where only centrally managed enterprises are covered, the picture is strikingly different from that of the first quarter of 1958. The fall in output in the food-processing branches as compared with that of the same months of 1958 is largely a reflection of the exceptionally long sugar-refining campaign in that year.[41] Brown-coal extraction, diminishing in 1958, increased significantly in the first quarter of 1959 partly as a result of the good weather. Similarly, the mining and metallurgical branches over-fulfilled their plans. In accordance with plans, the metal-using industries have speeded up output in the first quarter, whereas light industries were lagging slightly behind their rather ambitious targets. The relatively small increase in electric power production seems to be, at least partly, the result of a more moderate expansion of demand [42] because of good weather, since the programme for commissioning new capacities has been fulfilled. On the other hand, dates for commissioning of new capacity have not been met in the building-materials industry, where output is running far behind the plan.[43]

It is noteworthy that within the very important metal-using industries in eastern Germany, stocks and work in progress seem to be rising, so that gross output is once again running ahead of commodity output, leaving delivery plans for export and for home investment under-fulfilled.

In Bulgaria, the food-processing branches show a 6 per cent increase in output, in spite of the relatively poor crops of 1958 and the stagnation of tobacco processing, which probably indicates that plans for processing vegetables and fruit for markets in other socialist countries are developing favourably. In the most rapidly expanding branches, ferrous and non-ferrous metallurgy seem to have been progressing according to the plan for the year, and building materials were even ahead of it. It seems that the fulfilment of the global target for the year will require not only a bumper harvest enabling food industries to raise their output in the later months, but also a very rapid acceleration of growth in many other branches.

The main feature of Polish industrial development in the quarter is the rapid expansion, at rates even above those of the annual plan, of most "heavy" sectors, whereas the textiles, clothing and food-processing sectors registered growth rates rather less than those expected for the year as a whole. The good performance of the metallurgical industry is due to better utilization of capacity commissioned in the recent past. In engineering, where new export possibilities helped to stimulate output, the very important railway rolling-stock industry has overcome the persistent difficulties of 1958,[44] and managed to over-fulfil its plan for the quarter, while production of motor vehicles and consumers' durable goods continued the rapid expansion of 1958. The very good performance of the building-material industry, chemicals and electric power was mainly due to new capacities commissioned in the latter part of 1958; but the mild winter and early spring were also a help to these branches. The over-fulfilment of the modest plan for light industry as a whole by some 3 per cent was achieved with practically unchanged capacities, and in rather unfavourable market conditions (see below).

The increases in production of coal, cement and ferrous metals in Hungary range from 1 to 3 per cent over the same months of 1958; but the plans were significantly over-fulfilled, whereas crude oil production was lagging behind the plan, despite a considerable increase in output. Output of nitrogenous fertilizer was more than double the corresponding 1958 level, thanks to the opening of a new factory: this was much more than had been planned, as was output of aluminium, which reflects the satisfactory supplies of electric power. Engineering and chemicals production must have risen significantly more than the average, since textiles show a fall below last year's level of output, and the relatively small increases reached in other light industries (except furniture) and food processing, together with those already mentioned above, would not be sufficient to account for the reported over-all rate of growth. Finally, food processing was affected less than had been feared by last year's poor crops.

[40] Increase in productivity 1 per cent, and in employment 4 per cent.

[41] See the *Economic Bulletin for Europe*, Vol. 10, No. 1.

[42] The output plan for very energy-intensive products such as aluminium has been over-fulfilled, which suggests no shortage of power.

[43] For instance, cement output increased by only 7 per cent, as compared with the 27 per cent rise planned for the whole year.

[44] See the SURVEY for 1958, Chapter I, p. 37.

The few data available on output (in quantities) of selected industrial products in Czechoslovakia show coal output stagnating, ferrous metallurgy not progressing very satisfactorily,[45] and certain major products of light industries expanding at well below the average rates, though more or less in line with the plan for the year. With food processing below last year's level, it is clear that, in this country also, building materials, chemicals and engineering (including consumers' durables) were the most dynamic branches in the first quarter — as in the plan.

The Soviet Union

As has been mentioned, the Soviet Union is the only country to report a higher than average increase in the first quarter's output of the food-processing industry, which is also the only major branch showing a higher rate of growth than in the first quarter of 1958. With the exception of this branch, however, the general pattern of expansion remains the same as last year.

In the basic industries — metals, energy, timber, chemicals, building materials — the pattern of sector growth is confirmed by data on physical outputs. Thus, in the first quarter, crude steel production rose 9 per cent over the level of a year earlier,[46] iron ore by 7 per cent, oil by 13 per cent, electricity by 12 per cent, sulphuric acid by 6 per cent,[47] timber by 5 per cent, and cement by 18 per cent. The pattern of energy supplies altered as gas output continued its rapid rise (by 28 per cent [48]) and as coal output rose by 3 per cent. The gross output of the building-materials industry — as suggested in the last SURVEY [50] — is probably still influenced by the substitution of pre-fabricated components for on-site operations in construction, and output of such components rose 39 per cent.

In the agricultural equipment branches, where output was cut back in 1958 while production lines were changed, the new products began to emerge in quantity at the beginning of 1959. Thus, output of grain combines was halved during 1958, and the new self-propelled type came off the production lines in the first quarter of 1959 in substantial numbers — 11,400 were produced compared with 6,500 self-propelled and 20,400 trailer types in the same three months of 1958. Since the output of trailer types has ceased, over-all supplies in the first quarter of 1959 were less than half of availabilities in the same quarter of last year. On the other hand, output of tractor mowers and tractor ploughs rose by 12 per cent and 42 per cent in the first quarter of this year as compared with 59 per cent and 28 per cent respectively in 1958. As no statistics of other agricultural machinery were quoted for the first quarter, it is impossible to judge how far this branch contributed to over-all engineering activity.

Vehicle building was slack : motor-car output declined 6 per cent below last year's first quarter level as a result of retooling,[51] and tractor output was unchanged. Railway-wagon output declined by 1 per cent, but that of locomotives continued to rise (by no less than 45 per cent for diesel and 13 per cent for electric locomotives). No figures were quoted for passenger coaches, production of which declined by 4 per cent in 1958. Two other engineering items were more dynamic than the average for the sector — electric motors and chemical equipment — but the only other item quoted in the plan fulfilment report — metal-cutting machine tools — rose by just 6 per cent.

Consumers' durable goods showed their now traditional expansion : the most notable increment was of 26 per cent for furniture, following one of 23 per cent for 1958 as a whole ; and this was a consequence of the special short-term plan for furniture output introduced just a year ago.[52]

The volume of food processed in the Soviet Union was one-eighth greater than during the same time last year, nearly all the increment being accounted for by four foods — meat, dairy products, sugar and bread. Supplies through state channels (i.e., excluding farm and domestic processing and sales) rose 46 per cent for meat, 27 per cent for whole-milk products, and 20 per cent for butter. Sugar refineries were kept busy throughout the quarter to cope with the bumper beet crop. In a normal year, half of the refineries are closed by early March ;[53] and more

[45] The strain in ferrous metallurgy is evidenced by the reappearance of heavy fluctuations of output (see the SURVEY for 1958, Chapter I, section 4). Thus, daily plan fulfilment in rolled steel was the following (in percentages):

30 March 1959	106.8
31 March 1959	177.5
1 April 1959	84.6
2 April 1959	69.3

Source : Rudé Právo, 8 April 1959.

[46] In response to the immense pipe-laying programme described in the last *Bulletin*, steel-pipe output increased by 15 per cent to 1.3 million tons.

[47] Chemicals seem to have got off to a slow start for their big seven-year expansion programme: fertilizer output rose 2 per cent and synthetic fibres 6 per cent.

[48] It was 59 and 48 per cent in the first quarter and full year 1958 respectively.

[50] See Chapter I, p. 2, footnote 6.

[51] Confirming the assumption made in the SURVEY for 1958, Chapter I, p. 40.

[52] On 15 April 1958; it aims at a 65 per cent rise in output by 1960 over the 1957 level (cf. *Economic Bulletin for Europe*, Vol. 10, No. 1, p. 29).

[53] Out of 223 refineries operating in December 1955, 185 operated in January 1956, 159 in February and 125 in March. All but 7 had closed by 11 April, and the last shut down on 1 May (*Ezhegodnik po sakharnoi promyshlennosti za 1955/1956*, p. 21).

than three-quarters of the beet processed during the annual campaign passes through the refineries before the end of the calendar year. But this year refineries — enlarged by some 140,000 tons annual output capacity — must nearly all have worked the full quarter; and they processed more than one-third of the last season's procurements during these months.[54]

With the very large proportionate increases recorded for foods based on animal produce and sugar, and for fish[55] and vegetable oil (12 per cent and 17 per cent respectively), other foodstuffs will have shown rises much below average. It is highly probable (in view of the continuing anti-alcohol campaign) that output of vodka declined, as it did last year. The only other figures quoted in the quarterly report are for canned foods and soap (4 per cent increases).

[54] *Sakharnaya promyshlennost*, No. 2, 1959.

[55] In connexion with fisheries, it may be noted that Motor-Fishing stations (which served fishing co-operatives in the same way that machine and tractor stations did collective farms) were disbanded in February, and their equipment put up for sale.

4. Changes in Incomes and Prices in Eastern Europe and the Soviet Union

In accordance with the plans for increases in consumption already noted in section 1 above, both money and real incomes have risen in the first quarter of this year, as compared with the same months of 1958, throughout eastern Europe and in the Soviet Union. Wage and other income changes which came into effect in the course of last year have, of course, contributed some part of these increases, but new wage adjustments, changes in social security benefits and price reductions (the assortment varying from country to country) have nearly everywhere been introduced in the early months of 1959. In part, these measures represent a continuation of programmes, which have been in process of implementation since 1956, for reform of wage structures in the interests of productivity and general efficiency, and for gradual improvement — through both wage changes and social security measures — of the position of the lowest income groups. In Czechoslovakia, Hungary and Poland, these programmes were virtually halted in 1958 in order to restore equilibrium in strained markets for consumers' goods;[56] but in 1959 progress has been resumed in these countries, and continued elsewhere.

Changes in Money Incomes and Retail Prices

In the Soviet Union, revisions of wage rates and work norms introduced during 1957 and 1958 resulted in an over-all increase of wages in that year of about 10 billion roubles. The next stages of the wage reform, accompanied by reductions of the working day, will increase over-all earnings by 7.8 billion roubles in 1959,[57] equivalent to about 1½ per cent of the total wage bill for the year. The net effect on real wages will no doubt somewhat surpass this figure, as it is expected that prices for some consumers' goods will decline.

The considerable improvements in real wages in eastern Germany in 1958 were the result of a series of changes in prices, wages and social security benefits connected with the abolition of food rationing,[58] and designed to benefit mainly wage-earners in the lower-income brackets and large families. In 1959, the policy is again to raise the lowest wages, but also to improve the over-all structure of earnings. There is a clear tendency to increase average earnings both in those sectors which, for various reasons, lagged considerably behind the average rate of growth in the past — such as trade and education — and in the sectors given particular importance in the economic development plan, such as chemicals.

The largest percentage increases in wages shown in Table 8 have occurred, in general, in those trades where the share of very low wages was considerable. Out of 6.6 million wage-earners, 2.3 million received wage increases; and of these, 1.5 million (or 85 per cent) belong to the lower-income groups. In addition to these wage increases, old-age pensions were uniformly rised by DM 10 and related supplements for wives and children by DM 5; and retail prices of selected goods — margarine, sugar, rice and brown-coal briquettes on free-market sale — were reduced during the first quarter of 1959.

The purchasing power of the east German population is estimated to have risen by just over DM 3 billion in 1958. In 1959, the effect of measures introduced in the course of last year and at the beginning of 1959 should be a further increase in incomes over the 1958 level which can be roughly estimated at almost DM 3 billion, implying a rise of about 6 per cent in wage incomes (assuming employment unchanged, and no further increases in earnings result-

[56] See the Survey for 1958, Chapter I, section 2; and Tables 1 and 9 of this review.

[57] At the XIIth Trade Union Congress, the Chairman of the State Committee for Labour and Wage Problems stated that 17 million workers had already been affected by the wage reform, which would be completed by 1962. As a result of the reform, the number of wage tariffs would be halved. Until now, he said, the wage reforms and the curtailment of the working day had been carried out branch by branch, but the Committee proposed that henceforward this work should be executed by Sovnarkhoz region (*Trud*, 27 March 1959).

[58] For details, see the *Economic Bulletin for Europe*, Vol. 10, No. 2, 1958, pp. 9-11; and the Survey for 1958, Chapter I, p. 12.

TABLE 8

Net income effect of wage increases granted in eastern Germany in the first four months of 1959

	Increases on yearly basis	Gross wage fund in 1957 [a]	Increases as a percentage of 1957 wage fund
	Millions of DM		
Mining [b]	46.0	1 224 [c]	3.8
Chemicals [b]	91.6	1 097	8.4
Light industry [b]	117.5	2 340	5.0
Food industry [b]	28.4	676	4.2
Building and building materials [b]	71.4	1 504	4.7
Private industry	67.3	1 623	4.1
Total industry and building	*422.2*	*15 053*	*2.8*
Building workers in transport	13.3	..	..
Postal services	19.6	470	4.2
Trade [b]	166.2	2 479	6.7
Health services	120.0	5 184 [d]	6.1
Education	140.0		
Administration (only low incomes)	52.0		
Culture	5.3		
TOTAL	*938.6*	*27 880*	*3.4*

Sources : Neues Deutschland, 23 April 1959; and 1957 Statistical Yearbook.

[a] The 1958 figures are not yet available, but the relative orders of magnitude have hardly changed.

[b] The uranium mines are not included.

[c] Only socialist sector.

[d] All non-productive branches.

ing from rising productivity, etc.[59]). The effect, in a full year, of each of the main groups of measures introduced in 1958 and early 1959 is illustrated by the following figures (additions to total consumers' purchasing power in millions of DM) :

	Increases at yearly rates	*Valid from*
Measures taken at de-rationing	2 800	1 June 1958
Price decreases for meat and milk	400	7 July 1958
Price decreases for shoes and miscellaneous goods	360	6 Oct. 1958
Various wage increases	937	Jan.-Ap. 1959
Price decreases for margarine, sugar, rice, etc.	330	2 Feb. 1959
Price decreases for manufactures	200	1st qtr. 1959
Increases in pensions	333	22 Apr. 1959
TOTAL	5 360	

In Hungary, the main beneficiaries of recent measures affecting incomes will be the low-income families, benefiting from higher pensions and family allowances and from some price reductions for basic necessities :

	Family allowances	*Old-age pensions*	*Family allowances*	*Old-age pensions*
	In millions of forints		*Percentage increases*	
Disbursements 1958	800	3 260		
1959	1 180	3 900	47.5	19.6
Effects in a full year of increases granted in 1959	500	640	62.5	19.6

Source : Pénzügy és szánvitel No. 3, 1959, p. 89.

The new rules concerning family allowances established a basic rate of 360 forints for three children, with a uniform 120 forints for each additional child, instead of the earlier basic rate of 180 forints for three children, with a progressive rate rising from 80 to 210 forints for the fourth to thirteenth child. No allowance has been or is paid for the first child, and the allowance for two children has remained unchanged at 75 forints (see Table 10 below).

Some wage increases for health service and teaching personnel were decreed at the beginning of the year in accordance with earlier promises. They will add about 20 per cent to the monthly earnings of doctors, and about 10 per cent to those of other qualified workers in the health services ; and teachers see their monthly earnings increased by about 14 per cent. However, the stabilization of average monthly wages (other than distributions from enterprise profits) has so far been generally maintained, and improvements in productivity have been permitted to raise earnings mainly in the metallurgy, engineering and a few other high priority sectors.

Price adjustments in January 1959 are estimated as equivalent to a net increase in real incomes of 320 million forints in a year, made up of reductions equivalent to 650 million forints benefiting mainly wage- and salary-earners, and price increases, equivalent to 330 million forints, mainly on luxury goods and those bought by the farm population.

As can be seen from Table 9, the net effect of all these changes, together with the distribution of part of the profits of enterprises [60] and employment and

[59] Revision of norms will, in fact, tend to reduce supplements from this source, but a further 1 to 2 per cent of the 1958 wage bill might nevertheless be added by employment and productivity changes to the 6 per cent already mentioned.

[60] By 15 April distributions out of last year's profits of state enterprises had been made to workers in about 85 per cent of the enterprises concerned, at rates mostly somewhat above those of the previous year:

Gross profit participation by sectors
(excluding transport and trade) [a]

	Million forints		*Average in wage-day units*	
	1957	*1958*	*1957*	*1958*
Industry	703	815	12	14
Building and construction [b]	81	136	8	15
Agriculture	68	76	7	6½
	852	1 027	11	13½

Sources: Népszabadság, 29 March and 1 April 1958, and 10 April 1959.

[a] Before the deduction of contributions to enterprise funds. Net participation was 775 million forints in these sectors in 1957, of which: industry and construction, 687; agriculture, 88 million forints (*Statisztikai havi Közlemények* No. 6, 1958, p. 69).

[b] Seems to include part of the building-material industry.

TABLE 9

Changes in personal incomes and retail trade in Hungary

	1958	1959 Initial Plan	1959 Revised Plan	1959 Revised Plan	1960 Plan
	Percentage change over previous year			*Percentage change over 1957*	
Nominal wages and salaries	2.5*	1.8*	3.2*	5.7*	5.5*
Cost of living	0.6*	−1.0*	−1.0*	−0.4*	−0.4*
Real wages and salaries per wage-earner	1.9	2.8	c.4.2*	c.6.2*	6.0
Real income per family member of wage- and salary-earners	3.8	4.0	c.5.5	9.5	9.0*
Farm real income per family member	−8.0	13	13	4	4.0
Value of retail trade	4.9	5.9	5.9 [a]	11 [a]	c.14.6
Retail price index	1.5	−0.5	−0.5	1.0	1.0*
Volume of retail trade	3.3	6.4	6.4 [a]	10 [a]	c.13.5

Sources: *Statisztikai havi Közlemények*, No. 3, 1959, pp. 58-73 (nominal wages, 1958); *Népszabadság*, 11 April 1959 (real wages, 1958); official reply to the United Nations Questionnaire for the World Economic Survey (real income per family member and farm real incomes in 1958 and the initial Plan for 1959); *Statisztikai havi Közlemények*, No. 3, 1959, pp. 55 (value of retail trade turnover in 1958); *Magyar Statisztikai Zsebkönyv*, 1959, p. 163 (for calculating planned retail prices and cost of living in 1959); *Népszabadság*, 8 and 29 March 1959 (planned real income per family member of wage- and salary-earners in 1959); *Magyar Közlöny*, 25 June 1958 (Plan for 1960).

[a] No revision of the original Plan has been indicated.

productivity increases, is estimated to raise personal incomes in Hungary this year to about the level originally estimated in the 1960 plan. If agricultural production plans and state purchase plans are realized, farm families should more than regain the losses of 1958 — thanks partly to price changes for their produce — and real wages and salaries outside agriculture should rise by some 4 to 5 per cent.

The roughly 7 per cent rise in personal consumption planned in Czechoslovakia, as in Hungary and Poland, in 1959 (see Table 1 above) is to be brought about by a combination of price and wage reforms apparently ranging rather more widely than is the case elsewhere this year; and it is now apparent that, as was deduced in the SURVEY [61] for 1958, the large stock-building of that year was in part the result of attempts to establish precautionary reserves against changes in levels and patterns of consumers' expenditure in 1959.

The sixth major adjustment of prices in Czechoslovakia since the monetary reform of June 1953 occurred in March 1959. Price reductions covered mainly basic foods — such as sugar, flour, rice, butter and animal fats — textiles, clothing, and some manufactured consumers' goods — including soap, vacuum cleaners, washing machines, watches and cameras. The savings of personal expenditure on account of the reduction are estimated to amount on a yearly basis to Kčs 1.4 billion on food and Kčs 0.9 billion on industrial manufactures, or about 2½ per cent of all expenditure on consumers' goods.

Changes in family allowances and old-age pensions, introduced in the following month, are designed to favour the poorer members of the population. Pensions increases are concentrated in the lowest ranges, and there have even been reductions of some that were stated to be disproportionately high: children's allowances — hitherto uniform — are in future to vary inversely with the income of the main earner in the family.[62] The new rates are shown in Table 10; and the net effect of changes in prices, family allowances and pensions has been estimated as follows (in Kčs, on full-year basis):

	Family with one child	*Family with three children*	*Household of old-age pensioner*
Average annual increment in money incomes resulting from increases in family allowances and old-age pensions	—	1 164	500
Increment in the real value of such increases due to retail price cuts	—	48	18
Other savings resulting from price cuts	591	890	298
of which:			
Foodstuffs	*372*	*515*	*249*
Manufactured goods	*219*	*375*	*49*
Family's yearly total gain	591	2 102	816

Source: *Hospodářské Noviny*, 13 March 1959.

The above figures are officially stated to represent an average increase of 10 per cent in the income of a family with three children and of a pensioner's household, whereas a family with one child will gain about 3 per cent.

Simultaneously, the major reform of the Czechoslovak wage structure, which it is hoped will be completed in 1960, follows its course. One of the major aims of the revision, which affects more than 1.4 million industrial workers, is to cut considerably

[61] See Chapter I, p. 11.

[62] Total pensions payments appear to have been increased by only 2 per cent, and total disbursements for family allowances by 15 per cent (*Prague News Letter*, 7 February 1959).

TABLE 10

Family allowances in Czechoslovakia and Hungary

Number of children	Czechoslovakia						Hungary	
	Former allowance	*Present allowances according to monthly income* [a] In Kčs per month					Former allowance	Present allowance
	In Kčs per month	Up to 1,400	1,400-2,200	2,200-3,000	3,000-3,800	Above 3,800	In forints per month	
1	70	70	70	70	—	—	—	—
2	170	170	170	170	100	—	75	75
3	310	430	400	370	330	310	180	360
4	490	690	640	590	530	490	260	480
5	710	950	880	830	750	710	350	600
6	930	1 210	1 120	1 070	970	930	450	720

Sources: Sbírka zákonů, RČS, 28 March 1959; *Törvények és rendeletek hivatalos gyüjteménye*, 1953, p. 67; and *Magyar Közlöny*, 27 March 1959.

[a] Income groups are defined in terms of gross earnings of the head of the family. In 1958, an average gross monthly wage for all employees in the socialist economy was 1,278 Kčs.

all premia and other supplements to basic wages; and it is intended that the basic wage, related to skill, should constitute 70 to 75 per cent of a worker's total earnings. All reclassifications are to be made within the limits of the existing wage funds for individual branches and sectors of the economy; and the revision of work norms introduced up to the beginning of the year has resulted in a decline in wages of those non-qualified workers (about 10 per cent of all workers) whose earnings were previously high because of the existence of progressive premia for over-fulfilment of norms. The decrease in prices of some basic foods has been cited as a measure designed partly to offset such changes in money incomes. About one-fifth of all industrial workers will see their total earnings unchanged by the reform, and 70 per cent are expected to benefit from varying increases, depending in part on the extent to which their output rises.

Measures to raise pensions and the lowest wages — similar to those recently adopted in Czechoslovakia, eastern Germany and Hungary — were introduced in Poland about the turn of the year;[63] and no further changes of note have subsequently occurred. These measures, combined with past changes in wages, farm prices, employment and production, raised personal money incomes in the first quarter of 1959 to about 10 per cent above the level in the same months of 1958.

Retail Trade Turnover and Consumers' Supplies

The wage and social policies of the last few years in eastern Europe have tended to diminish disparities in incomes, and thus to reinforce the tendency for a relatively large part of any increment of total personal income to be reflected in higher demand for food, particularly for high quality foods such as meat.[64]

The fragmentary data available on retail trade in the first quarter of 1959 show a more rapid growth of food sales than of those of other goods in Bulgaria, eastern Germany and Poland (see Table 11), but a marked recovery of sales of textiles in Hungary.

In Czechoslovakia, consumption of meat and meat products increased during the first three months by about 7 per cent above the level in the same period of 1958; and a drop in home production of meat necessitated higher imports to meet the demand. Increased demand is also reported for other foodstuffs, particularly those for which prices were reduced at the beginning of March. Income elasticity of demand for meat in Poland is officially estimated at 0.7,[65] with considerable variation from one income-group to another, so that the trend of demand is strongly influenced by the pattern of increase in earnings. A per capita annual consumption of at least 40 kg is regarded as the nutritional minimum, 44 kg as good, 48 kg as very good.[66] It is considered undesirable that the increase of meat consumption in the low income groups should be slowed down; but it is hoped to direct the increment in consumption in the higher income groups more towards manufactured consumers' goods in the future.

[63] See the SURVEY for 1958, Chapter I, pp. 10-13.

[64] See the SURVEY for 1958, Chapter IV.

[65] This is the country-wide average. The same coefficient for changes between individual income groups in 1958 reads as follows:

	Income groups					
	I	II	III	IV	V	VI
Consumption of meat per member of a family in kg	26.3	33.3	41.7	48.0	55.3	58.9
Income elasticity coefficient . .	0.80	0.75	0.67	0.58	0.34	

Source: Zycie Gospodarcze No. 18, 1959.

[66] Average per capita consumption in 1958 was 40 kg.

TABLE 11

Changes in the current value of retail trade turnover in three countries

Percentage increases over same period of previous year

	1957	1958	1959 First quarter	1959 Plan
Eastern Germany				
Total retail sales	6.7	9.5	15	11.1
of which :				
Food, beverages and tobacco	4.8	9.9	14	8
of which : Food		12	20	..
Non-food	9.4	8.9	16	15
Hungary				
Total retail sales	9.5	4.9	7	5.9 [a]
of which :				
Food	6.0	4.6	3	1.1 [a]
Textiles	6.9	−2.2	10	7.8 [a]
Other non-food	20.4	13.0	10	12.8 [a]
Poland				
Total retail sales	23	9	13	9
of which :				
Food	12	10	..	7
of which : Meat	16	20	20 [b]	12
Manufactured consumers' goods	28	8	..	9
of which : Textiles and clothing	18	±0	−25 [b]	7

Sources : Plan and plan fulfilment reports; *Economic Survey of Europe in 1958*, Chapter I, Table 6; *Statisztikai havi Közlemények*, No. 3, 1959; *Figyelö*, 26 April 1959; and *Zycie Gospodarcze*, No. 16, 1959.

[a] Estimated from planned changes at comparable prices which show the following percentage increases: total, 6.4; food, 3.1; textiles, 7.8; other non-food, 11.1.

[b] January-February 1959.

As can be seen from the figures in Table 11, the structure of retail sales in Poland — and to a lesser extent in eastern Germany — in the early months of this year differed considerably from that foreseen in the annual plan. In the former country, sales of textiles fell well below the level of the first quarter of 1958, and, both in Poland and in eastern Germany, meat sales rose very steeply.

On 1 June 1959, the Polish Government decreed an average increase in prices of beef by 26 per cent, in the hope of shifting consumption to some extent towards pork ; and prices for rice and salted herrings were lowered by an amount calculated to prevent any rise in the total food bill of the population. Simultaneously, prices for some textiles, clothing and footwear were reduced by 6 to 30 per cent, the total annual saving being estimated at zl. 1,750 million. Railway passenger tariffs were raised by 55 per cent on average, though workers' monthly tickets and those for school children were not affected. The increases in fares were designed, in part, to cut down traffic where congestion was greatest ; and the largest increases have been for short distance travel by express train and for longer journeys on other trains. It is estimated that the rise in tariffs will cost the population about zl. 1,500 million during a full year.[67]

All the more industrialized countries of the area have, in fact, been attempting to steer demand, to some extent, towards manufactured goods in ample or rapidly increasing supply — such as textiles, clothing and some consumers' durables. Price reductions, efforts to improve assortment and quality, instalment credit and advertising have all been increasingly in evidence during the last twelve months or so.[68] Nevertheless, there are reports in a number of countries of falling, or only slowly increasing, sales and rising stocks of textiles and clothing and some other manufactured goods, accompanied by persistent shortages of others.

Private and co-operative house-building is also being fairly generally encouraged, and should absorb some part of this year's increases in personal incomes ;[69] and the possibility of such activity tends also to encourage preliminary saving. In Poland, savings accounts increased from 7.2 billion to 8.1 billion zlotys during the first three months of 1959 ; and in Hungary, out of an expected increase of savings bank deposits from 2.2 billion to 2.9 billion forints in the whole year, 400 million forints were accumulated in the first six weeks.[70]

The improvement in stocks in many countries in 1957/58 undoubtedly provides a more satisfactory

[67] *Trybuna Ludu*, 31 May 1959.

[68] Bulgaria appears, however, to be an exception in contemplating with equanimity, and on the assumption of extraordinary increases in agricultural production, not only greatly increased exports of foodstuffs in 1959, but also increases in domestic sales exceeding the average for retail sales generally. Total retail sales are to increase by 23.2 per cent, and sales of some individual products as follows (percentage increases over 1958 level):

Cotton fabrics	22	Meat and meat products	39
Woollen fabrics	30	Butter and margarine	25
Footwear	16	Cheese	43
Radio sets	16	Eggs	69
Furniture	32		

Source: Rabotnichesko Delo, 25 January and 14 March 1959.

[69] Moreover, in Czechoslovakia, the former practice of distributing part of enterprise funds in the form of wage supplements has been abandoned in favour of greater allocations to dwellings construction (see the SURVEY for 1958, Chapter I, p. 15).

[70] The data for the first quarter for eastern Germany are not as yet available; but the trend is clearly indicated by the development in recent years (absolute figures in million DM):

	1956	1957	1958 Plan	1958 Actual
Money income of the population	44.8	48.8	50.8	51.9 [a]
Increase in savings deposits	1.1	2.8 [b]	1.8	2.5
Percentage rate of saving	2.5	5.8	3.5	4.8

Sources : Statistical Yearbook, 1957; Deutsche Finanzwirtschaft No. 4, 1959; and direct communication from the east German authorities.

[a] 51.5 according to another source.

[b] Only 0.7 in the first half of the year.

basis than has often existed in the past for a resumed or accelerated rise of consumers' incomes in 1959. However, it is already plain that considerable flexibility in adjusting prices and production patterns will be required if the consumption increases planned for this year are to be achieved without serious strains in particular sectors, or greater increases in import bills for foodstuffs and other consumers' manufactures than the governments concerned wish to contemplate.

5. The Western European Economy in 1958 and the Stage of Recovery now reached

In 1958 the rate of growth of the western European economy as a whole, which had started to slow down as long ago as 1956, declined further to less than 2 per cent,[70a] as compared with over 4 per cent in 1957 and over 5 per cent in 1956. Among the industrialized countries, changes from 1957 to 1958 ranged from increases of 4 per cent in Italy, and 3 per cent in Austria and western Germany, to declines of ½ per cent in the United Kingdom and 1 per cent in Norway and Finland (see Table 12). Gross fixed investment, investment in stocks and

[70a] In *Economic Bulletin for Europe*, Vol. 10, No. 1, 1958, the increase of the gross national product of western Europe in 1958 was anticipated to range between 1 and 2 per cent.

TABLE 12

Supply and use of resources in western Europe

Percentage change in volume from previous year

Country		Resources			Utilization			
		Gross national product	Imports	Total	Gross fixed investment	Private consumption	Public consumption	Exports
Austria	1956	5	5	5	−3	5	7	20
	1957	6	14	7.5	8	4	8	17
	1958	3	−4	2	4	3.5	5	−2
Denmark	1956	2	7	3	1	2	2	3
	1957	5	3	5	4.5	3	1	8
	1958	1	6	2	2	3	2	8
Finland	1956	3	14	5	11	4	4	−1
	1957	1	−3	—	−1	−4	3	10
	1958	−1	−10	−3	−3	−3	2	−2
France	1956	5	14	6	8	6	20	−8.5
	1957	6	5	6	8.5	6	6	4
	1958	2	−1	2	2	—	−1	7
Western Germany	1956	6	12	7	7	9	1	15
	1957	5	19	7	—	5	7	18
	1958	3	7	3.5	4	3	4	3.5
Italy	1956	4	13	5	8	4	5	12
	1957	6	11	6	8	4	2	20
	1958	4	—	3.5	—	3	9	5.5
Netherlands	1956	4	15	8	8	9	2.5	6
	1957	2	4	3	3	−1	−2	6.5
	1958	1	−4	−0.5	−9	2	−1.5	6
Norway [a]	1956	4	8	5	2	2	2.5	9
	1957	3	3	3	4	3	4	5
	1958	−1	4.5	1	6	−1	2	3
Sweden	1956	3	6	4	3	3	5	10
	1957	4	9	5	3	2	3	11
	1958	1	2	1	6	3	3	—
United Kingdom	1956	2	2	2	4	1	1	6
	1957	2	3	2	4	2	−3	0.5
	1958	−0.5	—	−0.5	—	2.5	−1	−2
Yugoslavia	1956	4	10	4	−2	2	—	28
	1957	22	30	23	30	24	16	18
	1958	3	13	4	4	5	2	14

Sources: National statistics and *General Statistics, OEEC Statistical Bulletins.*

[a] Including maintenance and repairs.

TABLE 13

Industrial production and trade in the United States and western Europe

Index numbers, 1953 = 100

Period	United States			Western Europe [a]	
	Industrial production [b]	Imports [c]		Exports [c] (excluding intra-trade)	Industrial production [b]
		from western Europe [a]	from rest of the World		
1956	107	127	113	126	125
1957	107	135	116	138	131
1958	100	146	111	141	134
1958 First quarter	97	133	112	138	134
Second quarter	96	133	112	134	132
Third quarter	101	149	107	137	133
Fourth quarter	105	170	114	155	134
1959 January	107	177	114	133	134
February	108	164	114	130	133
March	110	197	128	142	137 [d]
First quarter	108	179	119	135	134 [d]

Sources : Foreign Trade, Series I, and *General Statistics, OEEC Statistical Bulletins ;* and national trade statistics.

[a] OEEC metropolitan member countries.

[b] Seasonally adjusted.

[c] Current values.

[d] Provisional.

exports were responsible, in most of those countries, for the levelling-off or the decline in total economic activity, while private and public consumption were, on the whole, much better maintained. Rates of expansion also slowed down very markedly in the countries of southern Europe, mainly on account of less favourable crops ; but they still amounted to almost 5 per cent in Greece, 4 per cent in Spain, and 3 per cent in Yugoslavia, whereas in Turkey and Portugal the increase was only slight.[71]

The tendency for the rate of economic expansion to weaken further in 1958 appears to have been largely unrelated to the sharp and short-lived recession of industrial activity in the United States. In fact, imports into the United States from western Europe fell somewhat below the 1957 average in the first two quarters of 1958 (see Table 13), but rose very substantially in the third and fourth quarters, so that, for 1958 as a whole, they were 8 per cent above their 1957 value in spite of the decline by about 7 per cent in United States industrial production. At the same time, however, United States imports from countries outside western Europe fell by more than 4 per cent, and this combined with declining demand in western Europe for imports from overseas to reduce the purchasing power of primary-exporting countries and to check the growth of western Europe's exports to those areas.

As can be seen from the indicators presented in the appended chart, an uninterrupted though slow expansion continued in some industrialized European countries throughout 1958, while in others signs of a revival made themselves felt during or towards the end of the year. Thus, 1958 can no longer be described without qualification as a year of stagnation ; and the evidence of a moderate upturn has recently become more definite in some countries. This, as well as progressive economic recovery in the United States, has produced a more generally favourable economic climate and better prospects for an early upturn also in those countries where recession appears still to be in progress.

As was noted in the *Economic Survey of Europe in 1958*,[72] conditions for a renewed expansion and for government action to stimulate economic activity became generally more favourable in the course of 1958 : foreign exchange reserves are now sufficiently ample in most countries to allay fears of renewed balance-of-payments difficulties ; wage pressures were reduced and price stability was more or less achieved

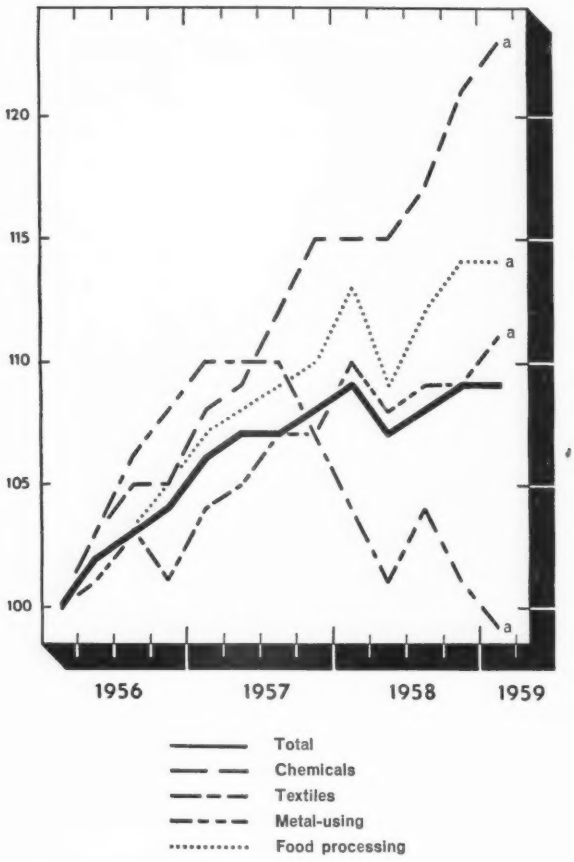
[71] The Turkish wheat harvest in 1958 was some 3 per cent above that in 1957. The report of a 20 per cent decline in the *Economic Survey of Europe in 1958*, Chapter II, p. 21, was based on preliminary estimates.

[72] See Chapter II, section 6.

CHART 1

Industrial production by sectors for OEEC countries

Index numbers of volume, first quarter 1956 = 100
Seasonally adjusted



a January-February 1959.

last year, and production can now be increased quite substantially in most countries by reducing under-employment and without running into over-all labour shortage. Moreover, a moderate upturn has in fact taken place, owing more to spontaneous factors than to the rather modest stimuli so far provided by public policies. The stimulating effect of declining interest rates on sensitive sectors of investment, in particular building activity, the reversal of the stock decumulation and the continued expansion of private consumption have been the main supports of the recovery so far.

Industrial Output

Industrial production in western Europe as a whole was no higher in the first quarter of 1959 than in the corresponding period of 1958 (see Chart 1); but there was a quite substantial increase above the previous year's level in March, and for April and May there are indications of an even more pronounced and widespread upturn. The behaviour of industrial output differed as between countries; and, as can be seen from the appended chart, four main groups of countries can be distinguished — western Germany, Italy, Denmark, the Netherlands, Switzerland and Ireland, where a moderate rate of industrial expansion continues or has clearly been resumed; the United Kingdom, Sweden, Norway, Finland and Belgium, where there are indications that an upturn has already started, although this cannot be clearly seen in all cases from available statistics; Austria and France, the last two countries in which industrial output has levelled off.[73] But it seems evident that also in these last-named countries an upturn is about to be resumed. Finally, the countries of southern Europe form a group where industrial production maintains a relatively rapid growth.

In the major industrial countries taken as a group, the output of the metal-using industries was above the level of the corresponding period of the previous year throughout 1958, and in the first quarter of 1959 (see Table 14). Lower levels of output in 1958 and the first quarter of 1959 than in the corresponding periods of the previous year were registered only in Belgium, Finland and Norway. The building materials industry has shown a very definite response to the revival of construction activity since the latter part of 1958 in Austria, Finland, western Germany and the Netherlands. There were signs of an upturn in the pulp and paper industry in the minor producing countries, particularly in Austria and Italy, though

[73] See *Economic Bulletin for Europe*, Vol. 10, No. 3, 1958, for the timing of the stagnation or recession in individual western European countries.

TABLE 14

Production in metal-using, textiles, building materials and pulp and paper industries in twelve [a] western European countries

Index numbers : corresponding period of previous year = 100

Industry	1958	1958				1959
		I	II	III	IV	I
Metal-using . . .	103	106	103	102	103	101 [b]
Textiles	93	95	91	92	95	93 [b]
Building materials	101	94	100	104	105	104 [b]
Pulp and paper .	101	101	99	100	104	104 [b]

Sources : National statistics.

[a] Austria, Belgium, Denmark, Finland, France, western Germany, Italy, Netherlands, Norway, Sweden, United Kingdom, Yugoslavia.

[b] January-February.

TABLE 15

Production in selected industrial sectors in western European countries

Index numbers : corresponding period of previous year = 100

Country and period	Machinery	Electro-technical equipment	Transport equipment	Textiles	Food and tobacco
Austria					
Fourth quarter 1958	97	102	107	94	103
First quarter 1959	95	103	91	89	100
Belgium					
Fourth quarter 1958	96	96	87	96	106
First quarter 1959	93	86	92	105 [a]	99
Denmark					
Fourth quarter 1958	107 [b]		95	99	107
First quarter 1959	107 [b]		92	106	105
Finland					
Fourth quarter 1958	96	86	95	96	109
First quarter 1959	95	94	88	102	102
France					
Fourth quarter 1958	..	101	104	86	114 [c]
First quarter 1959 [a]	..	111	93	75	98 [c]
Western Germany					
Fourth quarter 1958	101	118	120	93	105
First quarter 1959	96	112	112	94	104
Italy					
Fourth quarter 1958	103 [d]		108	102	114
First quarter 1959	102 [d]		102	102	105
Netherlands					
Fourth quarter 1958	108 [b]			104	106
First quarter 1959	109 [b]			102	101
Norway					
Fourth quarter 1958	100 [d]			98	97
First quarter 1959	91 [d]			106	99
Sweden					
Fourth quarter 1958	98			94 [f]	103
First quarter 1959	98			96 [f]	98
United Kingdom					
Fourth quarter 1958	103		100	96	103
First quarter 1959	99 [a]		98	94	100
Yugoslavia					
Fourth quarter 1958	113 [f]	118	..	109 [e]	95
First quarter 1959 [b]	110 [f]	133	..	107 [e]	85

Sources : National statistics.

[a] January-February.

[b] Including basic-metal industries and other metal goods.

[c] Tobacco only.

[d] Including other metal goods.

[e] Including clothing.

Including transport equipment.

the rates of increase in Scandinavia were rather small. The textile industry was particularly heavily affected by a decline in demand during 1958, superimposed on its long-term structural difficulties ; but there has recently been a certain recovery in some countries, and in others the fall in output has at least been checked.

An impression of the recent behaviour of each major sector of industrial output can be derived from the data in Table 15. Output of machinery was below the previous year's level in the fourth quarter of last year and the first quarter of 1959 in almost all countries for which data are available, whereas relatively rapid rates of expansion were maintained

TABLE 16

Production and exports of passenger cars in the principal producing countries of western Europe

Thousands of units, at quarterly rates

Country	1957	1958	1958				1959
			I	II	III	IV	I
France							
Production	181	231	233	246	190	256	266
Exports	56	80	79	88	62	92	105
of which : to the United States	9	22	16	22	23	29	..
Western Germany							
Production	240	295	298	291	280	312	348
Exports	129	162	151	160	156	182	172
of which : to the United States	28	36	28	34	36	48	51
Italy							
Production	80	92	92	102	87	89	95 [a]
Exports	27	40	34	45	38	42	46 [a]
of which : to the United States	3.3	7.5	4.1	6.3	8.6	11.2	11.1 [a]
United Kingdom							
Production	215	263	278	272	232	269	258
Exports	107	122	132	119	124	112	119
of which : to the United States	24	38	37	33	39	43	49

Sources : National statistics.

[a] Figures based on two months.

or achieved again for electrical equipment, particularly in western Germany. But, since part of the output of the electrical engineering industry is made up of consumers' durable goods, no precise indication can be derived from these figures of the course of investment activity or, for that matter, of consumption of durables.[74] Transport equipment also registered high rates of expansion, except in Austria, Belgium, Denmark and Finland — countries where motor-vehicle production is of small importance. For the major producers of motor vehicles, Table 16 shows that the output of passenger cars continues high in France and the United Kingdom, and is increasing further in western Germany, whereas in Italy there appears to have been a certain levelling-off in the second half of 1958. Export demand for motor-cars continues to rise rapidly in all the countries shown, except the United Kingdom, where a large proportion goes to overseas sterling-area countries. However, British sales to the United States show a strong rising trend, and in April there has been an increase in export sales also to other countries.

As already pointed out, demand for textiles shows signs of strengthening. Output has recently increased in Belgium, Denmark, Finland, Italy and Norway, and a certain recovery is also beginning to make itself felt in western Germany and the United Kingdom, although in the latter group of countries it still remains below the level of the corresponding months of last year. The output of clothing has also begun to increase in a few countries, with the decline of stocks to more normal levels.

Steel was one of the products most affected by the slower rate of expansion of economic activity in 1958. Steel output reached its lowest point in the third quarter of that year, but some hopeful signs appeared in the fourth quarter, with the virtual end of de-stocking, and recovery seems now to be well under way. Orders rose during the first quarter of 1959 in most countries, but production was above the level of the corresponding period of 1958 only in the Netherlands. Signs of a recovery have also appeared in the United Kingdom and western Germany, although in both countries output was still well below the level of the first quarter of 1958. The sheet and tinplate sections of the industry were generally least affected by last year's recession, and are at present working at or near full capacity, but demand for structural steel will have to increase substantially before capacity levels of output in that branch can

[74] However, for western Germany an estimate has been made of the share of consumers' goods in the turnover of investment-goods industries and consumers' durables combined, and also in the turnover of individual branches of the investment-goods industry. Thus, in 1958, consumers' goods made up over 14 per cent of this total. The share was 36.5 per cent in the precision and optical instruments branch and over 25 per cent in both electrical engineering and vehicles. The investigation further reveals a very substantial increase in that share since 1950 in both electrical engineering and vehicles. In the machinery branch, the share of consumers' goods in output was only 1 per cent (see IFO *Schnelldienst*, 12 March 1959).

TABLE 17

New construction [a] and stocks of orders for merchant ships

Thousands of gross tons, and (in italics) index numbers, end 1957 = 100

Country	31 December 1957	30 June 1958	31 December 1958
France			
New construction	2 213	1 911	1 474
Western Germany			
New construction	5 425	5 043	4 193
Italy			
New construction	2 186	1 737	1 359
Netherlands			
New construction	2 395	1 984	1 790
Stock of orders [b]	*100*	*84*	*71*
Norway			
New construction	1 804	1 573	1 389
Sweden			
New construction	3 759	3 495	3 079
Stock of orders [c]	*100* [d]	*86* [e]	..
United Kingdom			
New construction	5 734	5 256	5 373
Stock of orders [c]	*100*	*88*	*81*
Total western Europe			
New construction	26 595	24 163	21 401
Under construction [f]	7 307	7 591	7 697
Total World			
New construction	34 494	31 240	27 295
Under construction [f]	9 948	10 133	10 003

Sources: American Bureau of Shipping, *Bulletin*; *Lloyds Register of Shipping*; and national statistics.

[a] New ships under construction and on order, excluding ships of less than 1,000 gross tons.

[b] Value.

[c] Volume.

[d] End of February 1958.

[e] End of August 1958.

[f] Excluding ships of less than 100 tons gross.

be reached. There are indications, however, that the demand for this type of steel has been rising recently, following the end of de-stocking and rises in building activity.

It would appear, on the other hand, that the difficulties confronting the shipbuilding industry are only now becoming really serious. As Table 17 shows, the total tonnage of ships under construction in western Europe has been rising moderately, mainly on account of Sweden; but the fact that the tonnage of "new construction" (which includes both construction on hand and orders) has been declining sharply suggests that production might decline in the near future. If activity in the shipbuilding industry has remained high so far, this is due to the fact that most shipyards have been working off a backlog of orders. Price reductions have not attracted new orders in Europe, as they did in Japan in 1956; and unless there is a substantial recovery in world trade, especially in the trade of bulky products, current production may well begin to fall considerably in the coming months. The new orders recently placed for passenger liners will not suffice to change the picture.

Employment, Wages and Prices

The existence of a great deal of unutilized capacity in industry suggests that industrial recovery in its early stages may promote increases in productivity rather than in employment. However, the higher level of industrial activity has already affected employment in western Germany, Denmark and Switzerland, though the numbers employed in industry continue to decline in Belgium, Norway and Sweden. Such increases in employment as have occurred stem largely from the building industry (see appended chart and Table 19), where, however, particularly favourable weather conditions may have caused part of the recent rise. As can be seen from Table 18, unfilled vacancies increased, and unemployment declined below the corresponding 1958 levels, during the first three months of 1959 in western Germany, the Netherlands and Switzerland. There has also been a substantial fall in unemployment in Denmark, while the slight rise in unfilled vacancies in Finland is an indication that the labour market is beginning to improve also in that country.

Wages show a stable tendency in most countries except western Germany, where the labour-supply

TABLE 18

Unemployment and unfilled vacancies in western Europe

Average of January-March 1959 and percentage changes from corresponding period of previous year

Country	Unemployment		Unfilled vacancies
	Number of unemployed *Thousands*	*Percentage change*	*Percentage change*
Austria	207.3	1	4
Belgium	161.8	42	−55 [a]
Denmark	78.6	−35	..
Finland	95.2 [b]	30	13
France	169.8	71	−62
Western Germany	1 012.8	−21	11
Italy [a]	1 918.0	—	..
Netherlands	96.5	−9	4
Norway	38.9	4	−28 [a]
Sweden	59.3	4	−10
Switzerland	5.8	−6	9
Great Britain	533.3	38	−24

Sources: National statistics.

[a] November-January.

[b] Including unemployed in relief work.

TABLE 19

Dwelling construction in selected European countries

Thousands of dwellings

Country		1957				1958				1959
		I	II	III	IV	I	II	III	IV	I
Belgium [a]	Authorizations	9.0	10.8	8.1	6.9	8.3	9.3	7.5	7.0	..
	Completions	6.9	8.0	8.2	9.8	6.4	7.3	8.2	10.1	..
Denmark	Starts	4.9	6.1	4.6	3.0	3.4	6.9	5.5	4.6	..
	Under construction [b]	21.8	23.0	20.8	17.6	16.7	20.2	21.1	20.8	..
	Completions	5.1	5.0	6.7	6.2	4.3	3.5	4.6	4.9	..
Finland	Authorizations	6.2	8.4	7.9	7.3	4.7	8.0	8.2	..	..
	Completions	6.4	5.0	8.9	12.5	4.9	4.8	8.5	11.8	..
France	Authorizations	77.0	89.2	85.4	82.9	75.2	92.1	81.3	96.8	..
	Starts	— 155.0 —		— 150.6 —		— 147.8 —		— 153.7 —		..
	Under construction [b]	— .. —		— .. —		— 603.0 —		— 598.1 —		..
	Completions	— 121.0 —		— 152.7 —		— 132.1 —		— 158.2 —		..
Western Germany	Authorizations	107.1	131.6	144.1	122.3	104.8	141.3	161.7	141.7	114.4
	Completions	54.4	80.8	121.6	236.4	43.0	63.3	114.0	234.2	50.1
Ireland	Authorizations	..	..	..	..	1.2	1.2	1.1	1.2	..
	Starts	..	..	..	..	1.3	1.0	1.1	1.0	..
	Under construction [b]	..	..	..	..	4.5	4.2	4.4	4.5	..
	Completions	2.7	2.3	1.8	1.3	1.6	1.3	0.9	1.1	1.1
Italy	Authorizations	61.9	63.2	56.4	67.2	62.7	61.5	59.0	52.4	60.5 [c]
	Completions	42.4	43.1	42.0	49.8	43.7	43.2	42.0	46.8	43.5 [c]
Netherlands	Authorizations	21.2	21.9	20.4	17.3	13.6	23.0	22.3	18.8	16.9
	Starts	23.3	25.3	20.3	15.8	14.6	24.1	25.6	19.2	18.1
	Under construction [b]	98.0	101.3	100.5	90.1	84.3	85.2	90.1	84.1	86.6
	Completions	19.2	21.9	21.1	26.2	20.1	23.2	20.7	25.0	15.7
Norway	Authorizations	4.6	12.9	8.2	5.3	4.8	6.6	7.2	6.7	..
	Starts	3.0	10.1	9.9	6.5	3.4	7.0	8.5	7.4	..
	Under construction [b]	19.1	23.7	26.9	24.8	22.7	23.4	26.1	24.4	..
	Completions	5.9	5.8	6.4	8.4	5.5	6.2	5.8	8.9	..
Portugal	Completions	5.0	5.7	6.4	5.9	5.5	7.6	6.5	..	..
Spain	Authorizations	17.8	16.2	15.5	14.5	23.2	16.8	23.6	..	..
	Completions	8.0	6.6	7.6	7.4	7.3	7.1	8.1	8.7 [c]	..
Sweden	Starts	8.8	15.9	18.8	21.8	15.8	20.6	24.5	17.1	..
	Under construction [b]	54.1	57.0	64.2	66.8	58.2	64.7	76.9	73.0	..
	Completions	20.6	13.1	11.7	19.1	14.4	14.1	12.3	21.0	..
Switzerland [d]	Authorizations	3.0	4.0	4.7	2.5	2.8	4.8	4.9	5.2	5.0
	Completions	3.8	5.2	4.6	4.9	3.2	2.2	3.4	3.7	2.3
United Kingdom	Starts	64.6	80.8	74.1	61.7	56.8	74.2	66.4	65.8	71.3
	Under construction [b]	258.4	261.0	261.5	245.2	235.3	239.7	236.8	229.8	239.2
	Completions	77.7	78.2	73.6	78.0	66.7	69.5	69.6	72.8	61.9

Sources : National statistics; and *Quarterly Bulletin of Housing and Building Statistics*, ECE.

[a] Number of buildings.

[b] End of period.

[c] Two months at quarterly rate.

[d] Forty-two towns.

situation and the maintenance of a high and rising level of demand has made for continued, although more moderate, wage increases.

The price stability achieved in 1958, partly through the slackening of demand, but also, and in some countries mainly, through declines in import prices, continues to be maintained. Even in France, where the recent policy measures could be expected to produce price increases, the rise seems to have come to an end.

The Coal Industry

The fall in coal consumption and the rise in pithead stocks have assumed alarming proportions in Belgium, and have been a source of considerable embarrassment in the United Kingdom and in western Germany. Early in 1959, western Germany, having first repealed the general licence for imports of hard coal in September 1958, imposed an import duty of DM 20 per ton on all coal coming from outside the European Coal and Steel Community, with the exception of 5 million tons (half the average annual coal imports from each country concerned for the period 1950 to 1958). This prohibitive duty is expected to lead to a reduction of coal imports in 1959 by some 9 million tons from the 1958 figure of 13 million tons. In Belgium, licensing of imports from outside the ECSC was reintroduced as early as February 1958, and by mutual agreement between importers and traders the tonnage to be imported in 1959 is to be less than one million tons (against 2.3 million in 1958). Difficulties in Belgium have been increased by the sharp fall in export demand, since high-cost Belgian coal finds a ready market only in conditions of general shortage ; but in both countries it has been necessary to introduce short-time working and to reduce output. In the United Kingdom, it has been considered preferable to expedite the closure of uneconomic pits and to cut production of open-cast coal. The remaining excess of expected production over demand will this year go into additions to stocks, which will then have reached what are considered to be the physical limits of storage capacity. In France, the situation has given far less cause for concern ; but, since productivity in coal mining continues to increase and the rate of industrial expansion has slowed down, some further addition to coal stocks is expected. It is therefore intended further to reduce imports from non-members of the ECSC below last year's level.

Thus, virtually all the producing countries have witnessed a fall in consumption, and are no longer able to avert some reduction in output now that stocks have risen to such an exceptional level. The immediate causes of the transition from a coal market in which supplies were eagerly sought to one in which they are plentiful have been discussed in previous issues of the *Economic Bulletin* ; weather conditions, the effects of the Suez incident, the stagnation or decline of industrial output, and the ensuing accumulation of stocks by consumers, have all played their parts, as have good conditions for the production of hydro-electricity and the competition, at present prices, from black oils. Moreover, at the peak of western Europe's industrial expansion, imports, particularly from the United States (but also from Poland and the Soviet Union), constituted marginal additions to supplies in the full sense of the word ; they were more expensive than most western European coal, because of high freight rates, but western Europe's output could not be expanded to meet the sharp rise in demand. As can be seen from Table 20, imports from the United States into countries such as western Germany and Belgium have continued to account for a substantial part of total imports. This was both because contracts for coal and shipping space made in the period of shortage can be cancelled only with great difficulty and because transatlantic coal has become a highly competitive source of supply as a result of low ocean freights. Clearly, however, imports of coal are a complicating element, but not the principal one, in the present situation, since countries such as the United Kingdom, where United States coal is no longer being imported, have been equally affected. It follows that, taken in isolation, measures designed to prevent or reduce imports would be no more than palliatives.

In the expectation that the present situation is transitory and that the demand for coal will eventually revive with renewed industrial expansion, producing countries have preferred to soften the impact on output — and even more on employment and earnings in the industry — at the cost of accumulating large stocks. The prolongation of surplus conditions, however, has made further measures necessary at the national level, and is at present the subject of discussion within the ECSC also. It has also drawn attention to the longer-term outlook for coal. Energy requirements are likely to grow substantially in an expanding economy, but the demand for coal within this total will depend largely on the extent to which productivity in coal-mining keeps costs competitive with those of other fuels. It is therefore important that whatever short-term measures (including those directed against imports) are applied should not be in conflict with this longer-term objective of eliminating high-cost producers of coal and concentrating on the areas of more economic production.

The moderate decline in output that has taken place so far suggests that renewed economic expansion can avert the danger of a further loss of labour and of potential output on such a scale as to cause renewed supply difficulties in a later period. At the

TABLE 20

Production, pithead stocks and imports of hard coal in selected European countries

Thousands of tons

Country	1956 First quarter	1957 First quarter	1958 First quarter	1959 First quarter
Belgium				
Production	7 848	7 347	7 612	5 703
Pithead stocks [a]	377	218	3 230	7 341
Net imports	−271	643	216	1 026
Imports from United States	357	663	514	469
France				
Production	14 522	14 628	15 324	15 092
Pithead stocks [a]	5 505	4 271	5 483	8 763
Net imports	3 138	4 568	3 764	2 500
Imports from United States	1 082	2 162	1 226	202
Western Germany				
Production	34 349	34 256	34 102	32 222
Pithead stocks [a]	969	657	2 668	9 920
Net imports	1 413	744	1 506	−518
Imports from United States	2 313	2 725	3 237	2 100
Total ECSC countries				
Production	64 589	63 840	64 682	60 253
Pithead stocks [a]	7 443	5 542	12 294	28 004
Net imports [b]	6 372	9 174	7 871	4 998
Imports from United States	5 894	8 759	7 774	4 847
United Kingdom				
Production	58 843	61 042	59 121	52 910
Pithead stocks	1 881	2 873	8 836	20 166
Net imports	−639	−1 373	−914	−815
Imports from United States	1 217	685	92	—

Sources: *Bulletin statistique*, CECA; and *Quarterly Bulletin of Coal Statistics for Europe*, ECE.

[a] End of period.
[b] Excluding intra-trade.

same time, however, it is important to ensure that due regard is paid not only to the separate interests of the European coal-producing countries, but also to those of others, and that adjustments of national and international trade and production patterns to demand trends are not prevented by perpetuation of protection for domestic producers. More positively, while pursuing the reorganization of the industry and reviewing the longer-term perspectives, consideration should be also given to other possible means of lowering the present level of stocks or encouraging customers to increase their purchases either for immediate consumption or for stock. Such measures may include price reductions, particularly in sectors where such reductions might make coal more directly competitive with oil, or financial assistance or other inducements by governments, individually or collectively, to consumers of commodities with an important coal content — such as steel — to increase their stocks of such commodities.

6. THE TRADE AND PAYMENTS OF WESTERN EUROPE

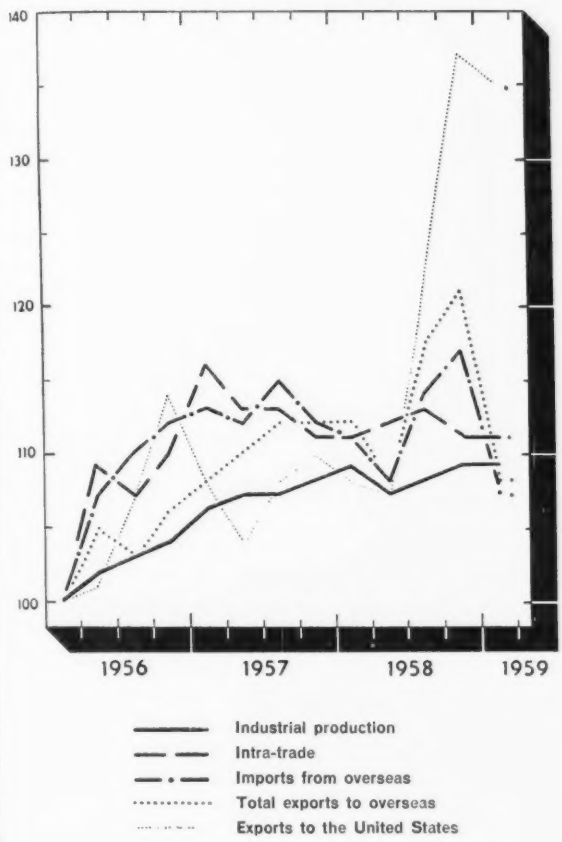
Trade Among Western European Countries

The decline from the second half of 1957 to the second half of 1958 in the value of trade within western Europe, by about $200 million or 2 per cent, was little more than half as large as the fall from the first half of 1957 to the first half of 1958. The fall in the value of intra-trade was almost entirely accounted for by lower prices. In fact, the volume of trade did not change from that of the second half of 1957. In the first quarter of 1959 both the value and volume of intra-western-European trade was almost unchanged (see Chart 2 and Table 21), but figures for March and April show that the start of a

CHART 2

Industrial production and foreign trade of western Europe [a]

Index numbers of volume, first quarter 1956 = 100
Adjusted for seasonal fluctuations



[a] Figures relate to OEEC member countries.

revival of activity in western Europe has been reflected in the development of trade within the area.

The development of intra-western-European trade in the second half of 1958 is largely explainable in terms of demand factors. Imports from western Europe into Belgium, Italy, the Netherlands, Switzerland and the United Kingdom registered the major declines, amounting in all to more than $300 million f.o.b. Out of nineteen countries, eleven reduced their imports from western Europe from the second half of 1957 to the second half of 1958, while the imports of the other eight countries rose. In general, these changes in imports were associated with movements of industrial output in the same direction, the percentage change in imports tending to exceed by about a third that in industrial production.

There were, however, some notable exceptions. In Norway, though production fell slightly, the value of imports from western Europe rose by 12 per cent; but this rise was entirely due to larger imports of ships, which are not closely geared to short-term changes in economic activity, and other imports were smaller. In both Italy and the Netherlands, industrial production was about 3 per cent higher in the second half of 1958 than in the second half of 1957, but imports were down by some 7 per cent and 8 per cent respectively, in part as the delayed effect of stagnating or relatively low levels of industrial output in the first half of 1958. In the last quarter of 1958, Dutch imports recovered and subsequently rose above the levels of the corresponding period a year earlier. In Yugoslavia, imports fell by almost 25 per cent, whereas industrial output increased by close to 10 per cent. It nevertheless appears that the development of domestic activity was a causative factor influencing imports, but by making possible an increasing substitution of domestic output for imports rather than by raising demand for them. At the same time, the deficit on the Yugoslav balance of goods and services in intra-western-European transactions was further reduced by rising exports. Finally, in Turkey imports were greatly reduced, in consequence mainly of the various special measures introduced in the summer of 1958.[75]

A comparison of intra-western-European trade values in 1957 and 1958 reveals that trade in food, raw materials and semi-finished goods (including coal, but excluding petroleum products) fell, as did trade in textiles and some other finished products. On the other hand, trade in machinery and equipment continued to grow: the increase for industrial and agricultural equipment was quite moderate, but trade in motor vehicles and in electrical goods rose considerably.

Against the general tendency towards contraction in the second half of 1958, only a few countries — Denmark, Finland, western Germany, the Netherlands, Switzerland and Yugoslavia — were able to increase their exports to western Europe to any appreciable extent above the level in the second half of 1957; the largest reductions in such exports were suffered by Belgium-Luxembourg, France, Italy, Sweden and the United Kingdom. Though in absolute terms not unimportant — $37 million — the rise in western German exports to western Europe was less than 1½ per cent, and much smaller than in previous periods, and was accounted for mainly by motor-cars. Denmark and the Netherlands achieved the most striking increases in exports from the second half of 1957 to the second half of 1958, close to $40 million (8 per cent) and $50 million (4 per cent) respectively.

[75] See *Economic Survey of Europe in 1958*, Chapter II, p. 21.

TABLE 21

Exports of western European countries

Millions of dollars, f.o.b.

A = total exports; B = exports to western Europe

Exporting country		1957 Fourth quarter	1958 First quarter	1958 Fourth quarter	1959 First quarter
Austria	A	254	218	237	216
	B	168	147	158	145
Belgium-Luxembourg	A	805	792	796	746
	B	534	497	515	483 [a]
Denmark	A	318	300	345	320
	B	243	227	259	239
Finland	A	216	147	216	149
	B	119	80	132	92
France	A	1 297	1 273	1 475	1 187
	B	584	525	558	507
Western Germany	A	2 313	2 056	2 391	2 120
	B	1 394	1 279	1 392	1 312
Greece	A	100	53	105	44
	B	72	30	68	22
Iceland	A	18	12	18	15
	B	9	5	9	4
Ireland	A	87	85	84	83
	B	76	72	70	65
Italy	A	687	611	662	624
	B	379	341	329	326
Netherlands	A	834	769	876	811
	B	590	532	623	574
Norway	A	216	191	198	191
	B	151	132	140	132
Portugal	A	84	61	84	62
	B	39	27	36	26
Spain	A	144	132	123	130 [a]
	B	92	91	66	90 [a]
Sweden	A	549	458	591	481
	B	408	321	399	339
Switzerland	A	423	373	426	372
	B	243	229	252	233
Turkey	A	96	92	75	103
	B	47	33	50	53
United Kingdom	A	2 352	2 299	2 313	2 216
	B	698	689	665	684
Yugoslavia	A	117	95	132	100
	B	57	49	61	52
Total	A	10 910	10 017	11 147	9 970
	B	5 903	5 306	5 782	5 378

Sources: Foreign Trade, Series I, OEEC, Statistical Bulletins, and national trade statistics.

[a] Data partly estimated.

The rise in Danish exports was almost entirely accounted for by industrial products, with relatively large increases in exports of machinery and of ships; and, like a few other of the smaller countries, Denmark was even able to increase its exports of textiles in spite of the generally depressed conditions in this trade. By destinations, the major increases in Danish exports — as also in those of the Netherlands — were to western Germany, Norway, France and the United Kingdom. The larger Dutch exports to France and Norway were accounted for largely by ships, whereas in trade with western Germany and the United Kingdom machinery made up much of the increase.

Western Europe's Overseas Trade

From 1957 to 1958, western Europe's imports from overseas fell by more than $2½ billion, and exports rose by about $300 million. While the decline in imports was almost universal, the export experience of different western European countries varied widely. The overseas exports of the member countries of the European Economic Community (EEC) rose by $500 million, with a moderate decline only in the exports of Belgium-Luxembourg. Relatively large increases of exports were also achieved by some other countries, particularly Denmark, Sweden and Yugoslavia. On the other hand, the exports of the United Kingdom fell by almost $200 million.

The fall in the value of western Europe's imports from overseas was entirely due to lower prices, and the volume rose by about 1½ per cent. Export prices also fell, though more moderately, and the volume of total western European exports to overseas destinations rose by somewhat less than 4 per cent as against the slightly more than 1½ per cent rise in their value.

In the second half of 1958, imports from North America continued at much lower levels than in the same period of 1957, but imports from the overseas

territories of OEEC countries and from Latin America were also appreciably reduced. On the other hand, imports from the independent countries of the overseas sterling area recovered somewhat, and have continued to improve in 1959 as the markets for copper, rubber, tin and wool have strengthened.

Western Europe's exports to North America, which in the first half of 1958 had suffered a moderate setback, subsequently resumed their expansion. In the second half of 1958, they were 15 per cent above their value in the second half of 1957, and in the first quarter of 1959 close to 25 per cent above their level in the same period of 1958. As before, motor-cars and machinery accounted for most of the increases in these exports. The exports of Belgium, which had felt most strongly the impact of the recession in the United States, took part in the general rise of exports from the middle of 1958.

Exports to overseas destinations other than North America — that is, mainly to primary producing countries — appeared on their way to recovery in the second half of 1958, when their value rose to 4 per cent above that in the second half of 1957. However, in the first months of this year they suffered a sharp setback, resulting in a fall of more than 10 per cent below their value in the first quarter of 1958 (see Chart 2), but the most recent monthly figures show a renewed increase. Almost all western European countries experienced a fall in these exports during the first quarter ; and western Germany was the only major exporter to achieve an increase, largely to countries of the overseas sterling area, particularly India, and to mainland China. The fall in the exports of Belgium in the first quarter was particularly severe, about 23 per cent ; but the major part of the decline in the combined exports of western European countries to primary producers was nevertheless accounted for by the United Kingdom (close to $250 million) and France (close to $100 million). The fall in British exports was particularly large to New Zealand, the Union of South Africa, the Federation of Rhodesia and Nyasaland, Malaya and Singapore, all countries that themselves had suffered severe declines in their exports in 1958. British exports to a number of other countries and territories in the overseas sterling area and to Latin America also fell, whereas exports to several countries in the Middle East rose. While the fall in the exports to primary producers from the United Kingdom and from most other western European countries may be assumed to be the delayed effect of the earlier decline in prices of primary goods, the sharp fall in the first quarter of 1959 in the dollar value of French exports shows rather the immediate impact of the devaluation of the franc, which could be expected only gradually to be followed by a compensating increase in the volume of French exports.

Changes in International Liquidity

The considerable strengthening of most western European currencies, which took place in 1958, was continued in the early part of 1959. This was seen most clearly in the development of the market rates of western European currencies, which kept mostly above the theoretical parities *vis-à-vis* the dollar. On the other hand, the changes during the first quarter in official gold and foreign exchange holdings only poorly reflect the continued improvement in the international liquidity of western European countries. During the first quarter, the combined official reserves of the fifteen countries whose currencies have been made convertible in respect of current transactions declined by more than $100 million. The decline was almost entirely accounted for by western Germany, where official reserves went down by more than $600 million, due in large part to a rise in the foreign exchange holdings of private banks and also to an outflow of private short-term capital. In France also the foreign exchange holdings of the commercial banks rose, and by about as much as the increase in official reserves. Finally, the rise in United Kingdom gold and dollar reserves was limited to $70 million in the first quarter by the repayment of $200 million of credit from the International Monetary Fund. At the same time, however, the sterling liabilities of the United Kingdom presumably continued to rise, leaving only a moderate change in its net reserve position.

It would appear that the reserves of primary producing countries, which had increased already in the last quarter of 1958, continued to rise in the first quarter of 1959, and that the improvement in the reserve position of western European countries was fairly closely matched by an opposite movement in that of the United States. But, whereas in 1958 the fall in United States gold reserves from $22.9 billion to $20.6 billion had been roughly twice as large as the rise in short-term dollar liabilities, in the first quarter of 1959 the further loss of gold (about $90 million) was very much smaller than the rise in such liabilities.

These changes in the relative importance of gold sales by the United States and of increases in dollar holdings cannot be interpreted as reflections of changing confidence in the dollar, or of changing expectations regarding the gold price, but they reflect rather the various legal and other considerations influencing central banks and other institutions in the composition of their foreign assets. The outflow of gold from the United States continued at a somewhat higher rate in the early part of the second quarter of 1959, and a large outflow is to be expected during the summer and early autumn, as other countries exchange dollar holdings into gold in order to prepare for the gold payments required by the

increase in their quotas in the International Monetary Fund.

As economic recovery proceeds in the United States and accelerates in western Europe, a tendency towards a reversal of the changes in international liquidity during 1957-1958 is to be expected. The rise that has already appeared in the exports of certain primary producing countries, especially in the sterling area, should continue and become more widespread, and the exports of the United States to western Europe should also recover, even though no repetition of the strong increases during the middle 1950s in the volumes and prices of western Europe's imports from overseas is to be foreseen. On the other hand, the exports of western Europe and the United States to the primary producers — apart from any rise due to a further increase in capital exports — will tend to lag behind the rise in the imports of the industrial countries from the primary-producing countries, which presumably will strive to recover some of the losses in their reserves experienced in 1957 and part of 1958.

7. Policies and Prospects

The slow revival already apparent in some countries, and the prospect of an upturn also in others, is accompanied in all by a mood of somewhat cautious optimism. This situation, as well as the fact that the levelling-off of output stopped short of an actual fall in western Europe as a whole, results from three sets of influences. The rise in United States imports from western Europe, already mentioned, and the continuing revival of economic activity in the United States both supported European activity to some extent and helped to encourage fairly confident expectations of future expansion. But the autonomous strength of large sectors of domestic demand in western Europe was more important; and this was supplemented by the reversal, during 1958, of some of the restrictive policies that had earlier helped to damp down the boom, and the application of some new stimuli. Declining interest rates, increasing liquidity and the gradual running-down of stocks to normal — or below normal — levels also helped to encourage a revival of growth.

Public expenditure — ranging, in general, from 20 per cent to nearly 30 per cent of total national expenditure — together with transfers of income from the public to the private sector, have exerted a strong stabilizing influence in maintaining and, in many cases, raising the combined level of public expenditure and personal consumption. As was noted in the *Economic Survey of Europe in 1958*,[76] measures were widely taken in 1958 to raise public current expenditure and investment, and in many countries social security payments were substantially increased. Aggregate personal incomes — and also consumption, although in some countries the savings ratio appears to have increased somewhat — continued to rise faster than prices (except in France), partly supported by social security payments but, to a far greater extent, as a result of continuing wage increases and the fact that the fall in employment nowhere reached recession proportions.

So far this year the smaller countries have been hesitant, for fear of the effects on their balances of payments, to take in isolation significant measures to stimulate expansion. Discount rates have been lowered further in Belgium, Finland, the Netherlands and Switzerland, as they were also in France and western Germany; some limited relaxations of previously imposed credit restrictions have occurred in Austria and Norway — and in France — and in the Netherlands consumption will derive some stimulus from the easing, in February, of hire-purchase terms. In Belgium pensions have been raised and further steps were taken, both there and in Sweden, to hasten the pace of dwelling construction. In all countries an automatic, and in most cases also a planned, expansionary effect of public budgets should be felt more in 1959 than in 1958.

In the United Kingdom, however, more definite action has been taken. The various measures announced in the April budget have to be viewed against the background of the balance-of payments situation, the virtual stagnation of the economy over the last three to four years and the slight recession in industrial activity that set in from the spring of 1958, accompanied by a rise in unemployment to an unusually high post-war level.

Since the crisis of August-September 1957, the external position of the United Kingdom has considerably improved. Thanks in large part to exceptionally favourable terms of trade, a record payments surplus was achieved in 1958 (most of it in the first half), and foreign exchange reserves topped £1 billion for the first time in several years. Internally, the rise in prices and wages has slowed down, but productivity fell in 1958, and there was a fair amount of idle capacity. The series of mildly stimulating measures taken since the 1958 budget, mainly in the field of money and credit, appeared to have little, if any, effect that year on output and employment. The abolition of all controls over hire-purchase credit was the one exception; and in the closing months

[76] Chapter II, section 2.

WESTERN EUROPE AND THE UNITED STATES : S

Index numbers, monthly averag

Monthly or quarterly figu

Industrial employment : Denmark : man-hours worked; the scale here is the same as for Industrial Production.
For Yugoslavia the scale here is also the same as for industrial production.

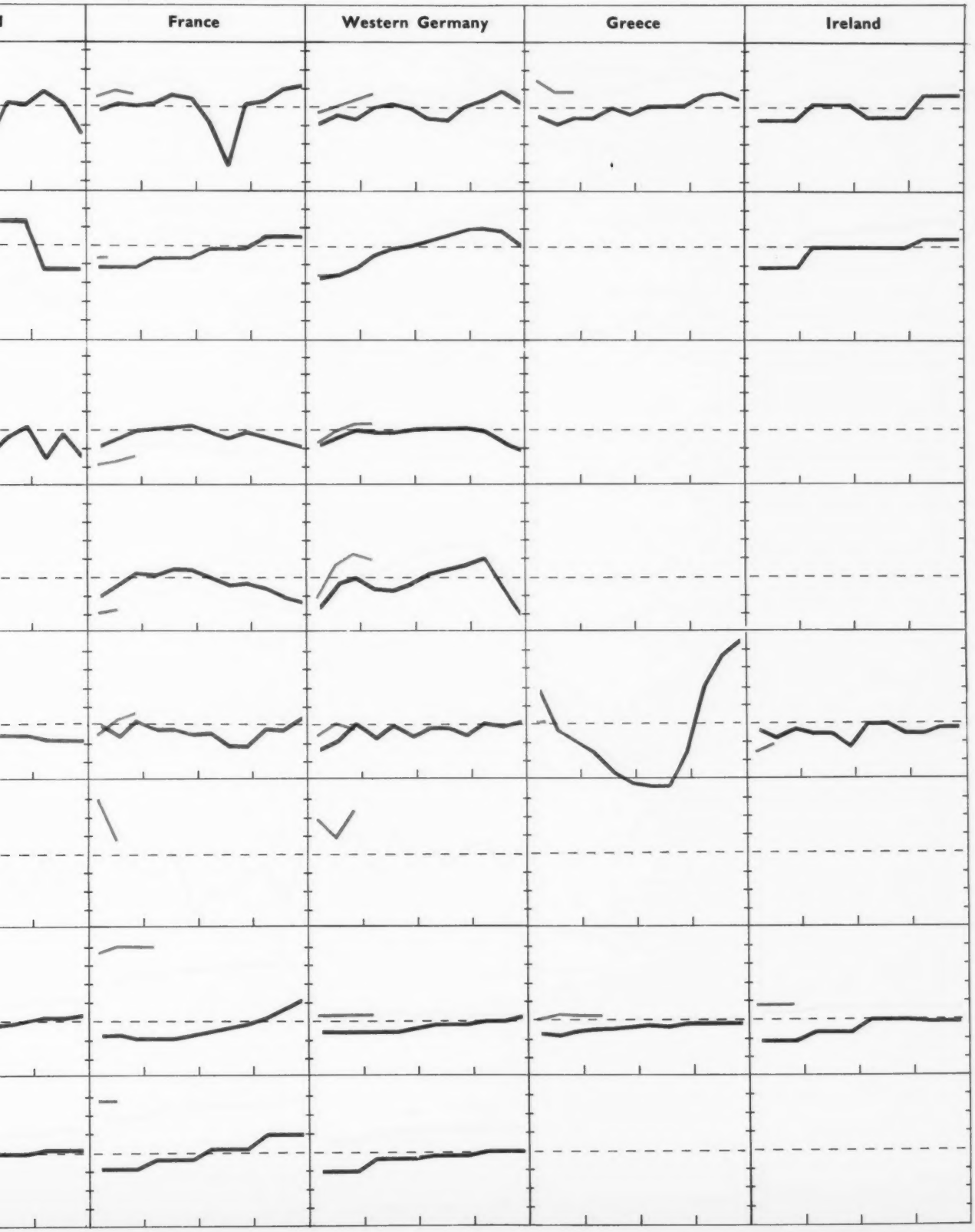
Hourly earnings : France, Netherlands, U

TES : SHORT TERM ECONOMIC INDICATORS

nthly average 1957 = 100

quarterly figures

— 1957 1958 — 1959



etherlands, United Kingdom : wage rates

of 1958 and early 1959 there has been a rise in purchases of consumers' durable goods considerably exceeding the growth of expenditure on most other categories of consumers' goods and services.

In the light of the above situation, and of the continued sluggishness of exports, it was apparent that, without recourse to measures specifically aimed at exploiting the potential of the economy's unused capacity and strong external position, by encouraging spending on both consumption and investment, no more than a very modest rise in national product could be looked for in 1959.[77]

Reductions in both direct and indirect taxes in the April budget provided a stimulus to consumption, and their indirect influence on investment was supplemented by specific fiscal inducements. The standard rate of income tax was reduced by 9d. in the pound (the biggest reduction since the war), and intermediate rates by 6d., while the higher rates of purchase tax were reduced by one-sixth (for example, the highest rate from 60 per cent to 50 per cent), the lowest rate remaining at 5 per cent.[78] Certain other customs and excise duties were also lowered, notably those on beer. The investment allowance, first introduced in 1954 and withdrawn in 1956, was restored, in general at the rate of 20 per cent for plant and machinery and 10 per cent for buildings.[79] Finally, a marked increase in investment by the public sector is scheduled for 1959/60.

The value of these budget concessions amounts to some £360 million in a full year, and, in addition, about £70 million of extra post-war credits are to be repaid, with provision that this figure may be raised if the government judges it desirable in the light of future economic trends. Altogether, therefore, additional purchasing power, equivalent to about 3 per cent of total consumers' expenditure, will be released. The direct effect on the domestic economy will, of course, be smaller, since part will be spent on imports and part will return to the government through direct and indirect taxation and through increased borrowing. However, it seems likely that, allowing for the secondary effects on income and employment, a by no means insignificant impulse will be imparted to the economy. Consumers' disposable incomes will be raised and companies' financial positions improved; and these two factors together should, in due course, create a more favourable climate for reversing the recent decline of investment in manufacturing industry. Moreover, although the additional income immediately accruing to the private sector from the new fiscal treatment given to investment is negligible, experience of the investment allowance shows that it can be a rather powerful stimulating factor, provided, of course, that other conditions are reasonably favourable. It is not possible to pass final judgement on whether today such incentives to investment are likely to be less powerful than they were in 1954 and 1955, when the economy was probably already well set on an expansionary course; much, indeed, may depend on how far the budget itself, and policies pursued in other western European countries and the United States, encourage optimism among industrialists about the future course of home and overseas demand. It cannot be altogether excluded that, with the planned increases in public investment in the next two years, some strain may in the end be placed on investment resources, or that there may arise a certain amount of excess demand in general.

The more important risk, however, stems from the probability that the balance of payments will deteriorate even without any real excess demand in the United Kingdom. In the second half of 1958, the current balance had already returned to more normal proportions; and in coming months it may be expected that imports will tend to rise both in volume, as expansion gets under way, and also in price, as raw material prices strengthen, while there is as yet no sign of an early revival of exports. The normal seasonal movement, together with a smaller payments surplus and the repayment of debt, is therefore likely to lead to some loss of foreign exchange. Such losses should not give cause for serious concern, and can be supported without difficulty by the present level of reserves and existing backing from the International Monetary Fund. They would be a small price to pay for orderly expansion in the United Kingdom, which can make a significant contribution to expansion in western Europe through a rise in its imports.

A recent study has demonstrated that the marginal import propensity in the United Kingdom is not unduly high, if allowance is made for sharp, self-correcting fluctuations in the level of stocks of imported commodities, for the trend of imports of finished manufactures, and for special factors prevailing in 1955.[80] There is some basis, therefore, for believing that, if the United Kingdom now enters a period of renewed expansion without excessive inflationary pressure, any major losses of reserves that are not connected with movements of capital should, in due course, be corrected either as the rise in imports slows down, or as exports gradually recover.

[77] A detailed examination of the economic prospects of the United Kingdom at the beginning of 1959 is to be found in the *Economic Survey of Europe in 1958*, Chapter II, p. 16.

[78] Some goods remain exempt from purchase tax, as before; but the list of exemptions was not extended.

[79] The initial allowances, raised in the 1958 budget to 30 per cent for plant and machinery and 15 per cent for buildings, have now been reduced to 10 per cent and 5 per cent.

[80] *National Institute Economic Review*, London, March 1959.

It would indeed be unfortunate if the United Kingdom's contribution to western European revival had to be prematurely withdrawn because of fear concerning short-term movements in the reserves, whether due to the initial impact of expansion on imports, to a more persistent unfavourable course of exports, or to an outflow of capital.

Programmes for Structural Change, and Policies for Expansion

As has been pointed out in the *Economic Survey of Europe in 1958*,[81] large-scale changes in the structure of employment and output promote economic growth and replace in part the impulses provided by increases in aggregate demand and in the supply of labour. An important contribution can therefore be made to an expansionary process by measures designed to facilitate the adaptation of the industrial structure to the changing requirements of the market, the modernization and rationalization of industrial equipment, and a better balance between investment in public utilities, in residential construction and in industry proper.

A number of western European governments have established long-term plans, some of which provide for specific measures to arrive at certain targets, whereas others lay down the desirable targets and state the implications of achieving them.

A recent example of government steps aiming to modify the industrial structure, and — more specifically — to assist its weakest sectors, may be found in the five-year plan recently made public by the British Government for the textile industry.[82] The plan, which is to cost the Government about £30 million, endeavours to eliminate uncompetitive factories, and to modernize the existing machinery. The scheme is intended to be of some help in fostering investment activity, and is based on the hope that, as a result of rationalization, the competitive position of British textiles will be improved, and export demand increased. However, the plan appears to assume, as a prerequisite, a general economic expansion, which would make possible the absorption of the manpower released by the textile industry.

A much more comprehensive programme has recently been prepared by the Belgian Government, and has been submitted to Parliament. The programme's purpose is to induce structural changes in the economy by means of capacity creation and greater diversification in order to promote economic growth. The measures contemplated will be limited to a few years, and will take the form of fiscal alleviations and loans at reduced interest rates, sometimes with government guarantees, and the benefits will be greater whenever they are applied to enterprises located in areas beset with specially acute structural, social, and economic difficulties,[83] or in cases of enterprises to be rationalized as a result of the establishment of the European Economic Community, and also in any time of a downturn in general economic activity. Apart from the direct effects of these measures on industrial investment, the programme also foresees additional contributions by public funds to scientific research, and proposes to treat — for fiscal purposes, under certain conditions — private outlay on research and sales promotion in the same way as investment in fixed assets.

The urgency with which the various measures are being examined reflects the Belgian authorities' intention to link anti-cyclical policies with the solving of problems of structural imbalance and of an inadequate rate of increase of output and productivity. To assist in carrying out the proposed measures, the Government has decided to set up an "economic programming office", whose function it will be to advise the Government on medium-term and long-term economic policy objectives, to co-ordinate the activities of the economic ministries (particularly with respect to investment) and to outline the structural changes required in the main sectors of the economy.

Some of the other long-term plans worked out in western Europe in past years are more in the nature of long-term projections, and therefore devoted to the study of possible patterns and rates of development rather than to an examination of the measures deemed necessary to direct economic process in accordance with targets laid down by the authorities or by economic experts. This applies to a recent Swedish study on balanced expansion covering the period 1956-1965 [84] and to the French Troisième Plan d'équipement. The Dutch long-term plan [85] or the Italian Vanoni Plan are of a similar nature, but are primarily concerned with employment problems — with the task of maintaining full employment in the former country, and of substantially reducing unemployment and under-employment in the latter.

Similar plans and programmes have been evolved in most other countries of western Europe. In general, however, they contain only passing references to the possible measures to be adopted in the case of a generalized business downturn, and sometimes limit

[81] See Chapter II, section 5.

[82] See *Reorganisation of the Cotton Industry* (Cmnd. 744), H.M.S.O., London, p. 11.

[83] The bill before Parliament proposes to limit the special areas to 15 per cent of the total population. Two such areas are already being mentioned; one is the mining region of the Borinage, the other the Hageland, an over-populated agricultural region.

[84] Finansdepartementet, *Balanserad Expansion*, Stockholm, 1956 and 1957.

[85] Centraal Planbureau, *Een Verkenning der economische toekomst mogelijkheden van Nederland 1957-1970*, November 1955.

themselves to stating that in such a case public action should be accentuated.[86]

It is true that a long-term programme is not a prerequisite for effective use of the whole arsenal of measures to stimulate economic expansion at the disposal of governments. However, the desire to bring about a renewed upturn from a period of stagnation or recession provides a good opportunity to direct the expansion along desired lines, as implied in the long-term plans or projections. Thus, anti-cyclical action could be co-ordinated with measures to bring about structural change, and this, in turn, would facilitate balanced growth. Moreover, since the plans generally cover the whole field of economic activity, they also include those sectors which lie completely or largely within the responsibility of the government, programmes for which could be modified and/or speeded up in times of recession or stagnation.

The Outlook for 1959

The introduction, at the end of 1958, of general convertibility of most western European currencies in respect of transactions on current account, the further relaxation in several countries of restrictions on trade and payments, the entry into operation of the first stage of the EEC treaty, and the continued strength of the major western European currencies — all these factors appear to have operated to widen and activate the international market in both long-term and short-term capital, especially inside western Europe, but also between western Europe and North America. A favourable aspect of this development is that it holds out the prospect of an accelerated growth of production and trade, promoted by a more elastic supply of finance. With capital markets wider and more fluid, financial resources are less likely to become a bottleneck for the growth of individual countries or industrial sectors where the forces of expansion otherwise are strong. During periods of high and expanding activity, these favourable effects will presumably be the dominating ones. Even though the increased international mobility of both long-term and short-term capital entails some risks of hot money flows, these could be dealt with by central-bank measures appropriate to the new system of convertibility and freer trade. However, the freer movement of private long-term capital could, in certain conditions, operate to enlarge interregional and international disparities in real-income levels and growth rates. The danger of such a development is increased by the growing discrimination in trade inevitable in the later stages of the establishment of the Common Market.

In the countries for which official forecasts of the movements of gross national product and of its components for the current year are published — Norway, Sweden and the Netherlands — and in the other countries where indicators of the probable change of gross national product or of any of its components are made available either by way of official statement or of inquiries into business men's views and expenditure plans, it appears that results in 1959 are expected to be better than in 1958. In all countries, gross national product is expected to rise, and in countries where the increase was not interrupted in 1958, the rate of growth in the current year is expected to be somewhat higher.

The official forecasts made in the national budgets for 1959 [87] (see Table 22) assume a substantial rise in the rate of expansion in the Netherlands, a 4 per cent increase in Norway as against a 1 per cent decline in 1958, and a 2 per cent rise in Sweden as against 1 per cent in 1958. Exports are assumed to grow vigorously in Norway, and to run at about the high rate registered in 1958 in the Netherlands, while no change is expected in Sweden. Private consumption is expected to grow more rapidly in the Netherlands (largely owing to the stimulating measures taken in 1958 and 1959 and the general expansion of the economy) and to be resumed in Norway. Public expenditure, especially public investment, will prove a more dynamic force than in 1958, especially in the Netherlands and Sweden, where

[86] See, for example, for Finland: *Talouspoliittinen perusohjelma* (basic programme for economic policies), 1954, Helsinki, and *Teollistumisen edellytyksistä ja toimenpiteistä sen edistämiseksi* (conditions and measures for promoting industrialization), Committee Report 1959, Helsinki. For Norway: " Om langtidsprogrammet for 1958-1961", *St. meld. nr. 67 (1957)*. For Spain: " Programa nacional de las inversiones ", Boletín Oficial del Estado, Madrid, 13 March 1959. For Portugal: Presidencia do Conselho, Inspecçao Superior do Plano de Fomento, *Relatorio Final Preparatorio do II Plano de Fomento*, Lisbon, 1958.

[87] The forecasts contained in the economic budgets, based on an appraisal of export prospects on the one hand, and of the probable trend of domestic demand on the other, depend on the validity of the assumptions made and that the indicators used to gauge consumer behaviour and the expenditure plans of business firms and public authorities are both accurate and up to date. Forecasts of this nature are especially hazardous in periods of conflicting or changing economic trends. Thus, actual results were less satisfactory in 1958 than had originally been contemplated in Norway, and to a lesser extent also in Sweden. In Norway this was due largely to a smaller rise of exports (partly the result of a poor fish catch) than expected, accompanied by a slight reduction instead of an increase in private consumption; and in Sweden an unforeseen fall in exports falsified expectations. In the Netherlands, gross national product increased slightly (whereas a decline had been forecast), exports having risen much more rapidly than anticipated by the authors of the plan, while the decline in private and public investment and in public consumption turned out to be less severe than expected. The discrepancies between the forecasts and the actual behaviour of domestic demand reflect both the difficulty of making a proper diagnosis of expenditure plans and changing expectations and the introduction of policy measures that the authors of the forecasts could not take into account.

TABLE 22

Forecasts of economic developments in 1959 in four countries

Percentage changes in volume over the previous year

	Netherlands		Norway		Sweden		Yugoslavia	
	Actual 1958	Forecast 1959	Actual 1958	Forecast 1959	Actual 1958	Forecast 1959	Actual 1958	Forecast 1959
Gross national product	1	3	−1	4	0.5	2	3	12
Imports of goods and services	−4	8	4.5	3	2	2	13	5
Private consumption	2	3.5	−1	2	3	2	5	6
Private gross fixed investment	−9	1	6	2	7	3	4	7*
Public gross fixed investment	−7	12			3	9		
Public consumption	−1.5	−0.5	2	2	3	4	2	4
Exports of goods and services	6	5.5	3	6	—	—	14	14

Sources: Netherlands — *Centraal Economisch Plan*, 1959; Norway — *Nasionalbudsjettet*, 1959; Sweden — *Reviderad Nationalbudget för år 1959*; and Yugoslavia — *Službeni List*, No. 50/1958.

public investment should show a substantial rise.[88] Private investment, which generally lagged behind changes in other sectors of expenditure when activity levelled off, is also expected to lag during the earlier stages of the revival. Thus, it is anticipated to rise less rapidly than in 1958 in Sweden (when it was stimulated by the ending of the 10 per cent investment tax) and in Norway, while in the Netherlands the decline in 1958 should be gradually made good as the year goes on, and possibly turn into a slight rise.

In other countries, exports, private consumption and public expenditure in general may be expected to increase — especially public expenditure. Private investment is likely to lag in those countries as elsewhere, and such increases as may occur will presumably be modest. Any forecasts made at the beginning of the year are, however, liable to understate the likely course of events, as they are susceptible of quick upward revisions in the light of a sustained improvement in the economic climate. Thus, in Sweden, the revised national budget published in April scales up the estimates of investment expenditure, both private and public.

The March inquiry on investment plans for 1959 in Swedish industry gives a picture completely different from that given by the inquiry made in October 1958.[89] At that time industrialists expected investment in buildings to fall, but in March they foresaw an increase by 14 per cent; in the case of machinery and equipment, the expectations in October were for a 5 per cent fall in 1959 compared with 1958, but according to the March inquiry these investments will increase by 8 per cent. Although discrepancies between the results of the autumn and the spring inquiries are normal, it seems that certain new investment projects had been planned between October and March. The possibility of using special investment funds, and enjoying an extra tax allowance of 10 per cent, for investment projects that obtain the sanction of the Labour Market Board has apparently had some effect.

In the *United Kingdom*, where the succession of mildly stimulating measures taken in 1958 had hardly produced visible effects by the time of the February 1959 inquiry (preceding by two months the expansionary April budget discussed abo· ɔ), this inquiry showed, for the first time in a year, a slight majority of firms reporting an increase in the rate of new orders over the previous four-month period — an improvement wholly confined to the home market. On the other hand, the appraisal of the following four months remained cautious, as firms showed no material changes in expectations. The May inquiry will give some indication of the impact of the April budget on business men's expectations, and on their investment plans.

In *western Germany*, a joint analysis of economic conditions, undertaken by a number of private research institutes[90] at the end of 1958, suggests that the rate

[88] In Sweden, the increase in public investment is largely due to the fact that many projects planned for 1958 will be completed only in the course of 1959.

[89] The Swedish *Konjunktur Barometer* for the engineering industry confirms that during the first quarter investment in plant and machinery — which had increased by 10 per cent in 1958 — was well maintained, and that the domestic market proved the more dynamic factor. Export orders are expected to increase during the second quarter, so that the inquiry indicates good prospects for output, orders and employment.

[90] "Economic Conditions in the World and in Western Germany at the End of 1958". Joint analysis of the economic situation by members of the Arbeitsgemeinschaft deutscher wirtschaftswissenschaftlicher Forschungsinstitute.

of economic growth during the first half of 1959 may be about the same as in 1958 — that is, 3 per cent. More recently, an estimate of a 4 per cent increase was put forward officially, based largely on the rapid advance of private investment (especially in dwellings), the continued growth of private consumption and some speeding-up of exports. According to the April IFO test, however, the expansionist impulses no longer stem only from the rapidly rising investment in dwellings, but also from stronger demand for steel, for equipment, and for consumers' goods. The proportion of firms evaluating the economic situation favourably has risen very substantially, especially in the consumer-goods branches. The volume of both domestic and export orders is rising rapidly, particularly for investment goods, but also in the consumers' goods industries. The incipient revival of activity in the stagnating sectors — steel, clothing and textiles — together with the continued expansion in other industrial sectors, also supports the view that economic growth is speeding up.

In *Italy*, the usual inquiry made in January [91] indicated a substantial change in business men's expectations. While in the second half of 1958 there had been widespread fears of a further deterioration of the situation, at the turn of the year the majority of entrepreneurs interviewed expected either a moderate revival or a continuation of the present level of activity. The prospects for investment goods, however, remain less favourable than for consumers' goods, since the moderate expansion expected for the near future can be met almost everywhere with existing capacity.

In *Denmark*, where a revival of activity set in in the latter half of 1958 after an extended period of stagnation, it is expected that unless unforeseen balance-of-payments difficulties arise — and the Danish balance of payments has proved particularly sensitive to even small changes in the level of total internal demand — final demand will rise by some 4 to 5 per cent in volume over the average for 1958 as a result of increases in both private consumption and investment, particularly construction. In the light of recent developments, however, it would appear that a more rapid rate of expansion, of perhaps 6 per cent, may be more likely.

In *France*, the economic stabilization programme adopted at the end of 1958 [92] has already proved successful in stabilizing prices and wages. Prices increases have remained within the limits of what was considered the normal and direct effect of the measures taken ; and wage increases and claims have, on the whole, remained moderate. As to signs or prospects of a renewed upturn, industrial production is slightly above the level of the corresponding period of 1958, and the recent increases in imports of industrial raw materials are also an indication of a revival of economic activity. Exports are also rising as a result of the devaluation, and the prospects for a speeding-up of economic expansion in other western European countries give hope that this tendency will continue. Public investment is planned to increase substantially in 1959 and, as already pointed out, the revival of output in the consumer-goods industries, together with the maintenance at the present level of consumers' purchasing power — since both prices and wages appear to have become more or less stabilized — suggest that private consumption will at least not decline. The March results of the monthly inquiry made by the " Inspecteurs de l'Economie " [93] definitely confirm the revival of the consumer-goods industries, where the " lower point of the recession " is described as past, and some rebuilding of stocks regarded as abnormally low is now in process. The main retarding factors are thus private investment, which is likely to respond to higher export demand only with a time-lag, and the temporary difficulties for some industries arising from the change in the structure of output made necessary by the devaluation and by the liberalization of imports. This is borne out by the inquiry mentioned above, which suggests that there is no change in the " disquieting " situation in the investment-goods industries. All in all, it appears likely that the stagnation in France will turn out to have been very short-lived, and that expansion has already been resumed.

To sum up, the present situation in western Europe can be described as one in which the expansionary forces, still operating in 1958 and at the beginning of 1959, are in general being gradually reinforced, so that a revival of economic activity appears to be definitely under way. Whereas in western Germany, Denmark, Switzerland and the Netherlands, private investment, mainly in dwellings, is likely to prove the most important factor promoting general expansion, the expansionary effects of the recent budget relaxations on private consumption and public investment may be expected to speed up the recovery in the United Kingdom. Export demand and public investment will probably be the key factors in France and Austria, and the course of exports is likely to determine the pace of recovery in Norway. Stocks will probably grow in most western European countries.

The countries for which a relatively rapid rate of expansion can be expected in 1959 are western Germany, Denmark, Italy, the Netherlands and Finland,

[91] See *Mondo Económico*, 24 January 1959.

[92] See *Economic Survey for Europe in 1958*, Chapter II, section 2.

[93] See *Le Monde*, 6 May 1959.

as well as some southern European countries — Greece, Spain and Yugoslavia. For the rest of the industrial countries, a more moderate rate of growth is probable. The higher rate of expansion than last year, which is likely to occur in two of the major industrial countries — the United Kingdom and western Germany — should tend to strengthen the forces of recovery in the smaller western European countries.

Taking all these considerations into account, it might be expected that, for western Europe as a whole, the rate of growth of gross national product will reach rather more than 3 per cent in 1959, compared with barely 2 per cent in 1958.

FOREIGN TRADE AND ECONOMIC DEVELOPMENT IN EASTERN EUROPE AND THE SOVIET UNION

1. The Past Growth of Foreign Trade and Domestic Output

The General Pattern of Development in Eastern Europe [1]

Scarcity of imports has been endemic in all eastern European countries throughout the post-war period. To some extent this phenomenon has been simply another aspect of the sequence of bottlenecks inevitable in any economy in which a programme of very rapid and rather narrowly concentrated industrial development does not proceed in every detail according to plan; but the policy — only in part imposed by external conditions — of planning for a maximum reliance on domestic resources reduced the possibility of compensating unforeseen variations in domestic output or expenditure through adjustment of the level or pattern of foreign trade.

The main characteristics of the development of production and external trade in these countries during the post-war years until about the mid-1950s have already been described in earlier issues of the ECE *Bulletin* and Survey.[2] These have included, first, a common concentration until the mid-1950s on the expansion of engineering capacity, and to a lesser extent of processing capacities generally at a rate that outran the extension of capacities for output of basic materials and fuels,[3] together with the relative neglect of agriculture and of most other consumption sectors; secondly, a failure sufficiently to compensate for the very low priority given to traditional export industries — or for rapidly rising domestic needs for the products of those industries — by developing alternative export production and markets; thirdly, a progressive orientation of trade towards the Soviet Union, which was accompanied until about 1953 by rising supplies of raw materials from that country to eastern Europe — which were not, however, sufficient to prevent serious shortages — and by the readiness of the Soviet Union to accept other goods in exchange. Trade among the eastern European countries grew rather faster than their total external trade until 1952, when it represented about one-third of total turnover; but the share then fell sharply, and was only 25 per cent of the total in 1957. In that year, trade with the Soviet Union accounted for 38 per cent of the total trade turnover of those countries, as compared with over 50 per cent in 1954 — the year of maximum concentration of trade on the Soviet Union.

Although the volume of total trade grew rapidly, it was rigidly confined in each country to essential fuels, materials and equipment — apart from a small margin of less essential goods traded mainly as a result of hard bargaining by the exporting country concerned. Such a pattern of trade has, of course, been common to most countries undertaking programmes of rapid economic development; and, in eastern Europe, special difficulties in trading with countries outside the area accentuated this tendency. However, the result of concentrating trade on "essentials", imported so far as possible from other countries of the area (which were committed to very similar development programmes), was that for every country the possibilities of the changing level or composition of its trade to compensate unforeseen domestic scarcities were very limited.

The problems inherent in the type of development policies pursued came to a head in all eastern European countries some time during the years 1953 to 1956. There were a number of precipitating factors: earlier Soviet credits were virtually exhausted and repayments were beginning to absorb significant quantities of exports; some relaxation in all countries of the industrial investment drive in favour of increases in consumers' living standards (culminating in big wage increases in a number of countries in 1956/57) raised import bills or further reduced export surpluses of foodstuffs, while releasing for export engineering products for which markets could not easily be found within the area; Soviet purchases from eastern Europe appear to have been virtually stabilized from 1954 to 1956 and, most important, supplies of raw materials and fuels from the Soviet Union seem to have levelled off from 1953 to 1955. Even more acute foreign trade difficulties and scarcity of imports everywhere in eastern Europe thus helped to intensify, or at least to prolong, the various shortages hampering balanced growth of output and the improvement of living standards.

[1] Throughout this article the phrase "eastern Europe" excludes the Soviet Union.

[2] See, in particular, the *Economic Survey of Europe in 1957*, Chapter VI.

[3] Though less in Rumania and Bulgaria than elsewhere.

TABLE 1

Commodity composition of exports and imports of eastern European countries and the Soviet Union

Million of current dollars, and percentage distribution

	Exports						Imports					
	Percentage shares		Millions of dollars				Percentage shares		Millions of dollars			
	1950	1958 (or 1957)	1950	1955	1957	1958	1950	1958 (or 1957)	1950	1955	1957	1958
Bulgaria												
Machinery and equipment	0 *	9.2	— *	7	28	34	37 *	38.9	52 *	77	99	139
Fuels and raw materials	98 *	45.4	122 *	108	148	168	55 *	54.4	78 *	102	173	194
Unprocessed and processed food				80	92		1 *		1 *	8	22	
Consumers' manufactures	2 *	45.4	2 *	35	102	168	7 *	6.7	10 *	8	38	24
Total	100 [a]	100	124	230	370	370	100	100	141	195	332	357
Czechoslovakia												
Machinery and equipment	26.5	43.4	206	511	555	657	11.2	18.7	71	140	260	253
Fuels and raw materials	35.5	31.1	277	462	473	471	61.0	54.7	390	565	749	743
Unprocessed and processed food	12.7	7.1	99	72	94	107	25.2	23.2	161	305	323	315
Consumers' manufactures	25.3	18.4	197	131	236	278	2.6	3.4	17	43	55	46
Total	100	100	779	1176	1358	1513	100	100	639	1053	1387	1357
Eastern Germany												
Engineering products	31.8	(52)	129	772	872	980	8.1	12	38	55	130 *	200
Other manufactures	13.8	12 *	56	100	..	230 *	10.8	15 *	51	210	..	250 *
Raw materials and semi-finished products	47.5	32 *	193	380	..	600 *	49.6	45 *	233	485	..	760 *
Food and tobacco	6.9	4	28	26	..	80	31.5	28 *	148	423	..	470 *
Total	100	100	406	1278	1811	1880	100	100	470	1173	1616	1680
Hungary												
Machinery and equipment	22.5	36.0	74	179	189	245	20.8	11.6 *	66	62	84	73 *
Fuels and raw materials	18.4	30.0	61	142	105	204	72.1	74.8	228	390	485	471
Unprocessed and processed food	39.3	16.1	129	183	128	109	3.6	9.3 *	11	84	71	59 *
Consumers' manufactures	19.8	17.9	65	96	66	122	3.5	4.3	11	18	43	27
Total	100	100	329	600	488	680	100	100	316	554	683	630
Poland												
Machinery and equipment	11.6	26.9	73	120	195	285	32.0	26.1	214	288	297	324
Fuels and raw materials	..	50.8	..	592	595	538	..	53.9	..	482	664	661
Unprocessed and processed food	24.1	16.8	152	141	123	178	11.2	11.4	75	122	218	140
Consumers' manufactures	..	5.5	..	61	62	58	..	8.3	..	40	71	102
Total	100 [b]	100	630	914	975	1059	100 [b]	100	668	932	1250	1227
Rumania												
Machinery and equipment	4.3	12.5	9 *	26 *	41 *	54 *	37.1	(15.0) *	91 *	95 *	62 *	..
Other	95.7	87.5	198 *	365 *	349 *	376 *	62.9	(85.0) *	154 *	289 *	353 *	..
Total	100	100	207 *	391 *	390 *	430 *	100	100	245 *	384 *	415 *	415 *
Soviet Union												
Machinery and equipment	11.8	(14.9)	213	599	652	..	21.6	(23.9)	314	925	940	..
Fuels and raw materials	..	(51.9)	..	1616	2272	..	..	(45.8)	..	1261	1802	..
Unprocessed and processed food	..	(18.0)		398	790	..	..	(14.1)	..	618	557	..
Consumers' manufactures	..	(3.2)	..	103	142	..	..	(11.3)	..	147	554	..
Items not classified	..	(12.0)	..	753	526	..	..	(4.9)	..	110	195	..
Total	100	100	1795	3469	4382	..	100	100	1456	3061	3938	..

Sources: See "Notes to the statistics".

NOTES. — F.o.b. at the frontier of the supplying country for Czechoslovakia, eastern Germany and the Soviet Union; f.o.b. for exports and c.i.f. for imports at own frontier for Hungary. Imports include goods for re-export, and exports include re-exports in Czechoslovakia, Rumania and the Soviet Union, and in Hungary except in 1950, when the data cover only exports of Hungarian produce and retained imports. This latter definition applies to eastern Germany throughout. In Bulgaria and Poland, both the treatment of re-exports and the point of valuation remain undefined.

Commodity classes are those of the CMEA, except for eastern Germany, where consumers' durable goods are grouped with engineering products, textile raw materials with other manufactures and all chemical products with raw materials and semi-finished products. Unprocessed and processed food in all cases includes beverages.

[a] In 1948, of total exports to an amount of $123 million, 0.1 per cent was machinery and equipment, 10.4 per cent fuels and raw materials, 88.5 per cent food and 1.0 per cent consumers' manufactures.

[b] In 1949, of total exports to the amount of $619 million, machinery and equipment was 2.4 per cent, fuels and raw materials 68.7 per cent, food 20.7 per cent and consumers' manufactures 8.2 per cent. Of imports in 1951, 44.9 per cent was fuels and raw materials and 13.2 per cent consumers' manufactures.

Imports into Eastern Europe in 1957 and 1958

In 1957, however, the picture changed. New Soviet credits, and an expansion of Soviet imports — including both equipment and "less essential" goods — from eastern Europe to more than their 1954 value, were accompanied by a more than 40 per cent rise in the value of Soviet exports to eastern Europe above the levels of either 1955 or 1956. In 1957, the value of Soviet sales of fuels and raw materials to these countries rose by 35 per cent and of food by more than 175 per cent above the 1956 level. The effects of the poor eastern European harvests of 1956 were largely offset by a rise in Soviet grain exports to these countries from 1.7 million tons in 1956 to 5.9 million tons in the following year; and the scale of the increase in supplies of certain key materials and fuels through trade with the Soviet Union is illustrated by the following figures:

Net exports from the Soviet Union to eastern Europe [a]

	Unit	*1955*	*1956*	*1957*
Coal	Million tons	−5.8	−3.2	2.4
Crude petroleum		1.7	2.0	2.6
Petroleum products		−3.2	−3.0	−1.7
Iron ore		8.8	9.1	10.8
Pig iron		0.6	0.7	0.8
Rolled steel		0.7	0.9	1.3
Copper	Thousand tons	22	34	46
Zinc		−29	−24	—
Lead		25	39	45
Aluminium		24	21	51
Phosphate rock [b]		820	1 000	1 053
Superphosphates		47	56	85
Potash fertilizer		−46	18	38
Nitrogenous fertilizer		38	57	64
Natural and synthetic rubber		4	19	21

Source: Appendix Table XIII.

[a] Minus sign indicates net imports to the Soviet Union from eastern Europe.

[b] Including equivalent of exported concentrates.

The sharp rise in trade with the Soviet Union in 1957 was accompanied by intensified efforts on the part of the eastern European countries to expand exports to other areas also. Sales to western Europe rose by more than 25 per cent over the values registered in 1955, and imports from that area by 22 per cent, while total imports were one-third greater than in 1955.

The effects of these developments, and of the generally faster rise of domestic consumption expenditure than of investment in eastern Europe in 1957, raised the share of manufactured consumers' goods in both imports and exports in most countries of the area, though they remained small in absolute values (see Table 1). Nevertheless, the quadrupling of all Soviet imports of such goods between 1955 and 1957 provided a much easier market than before for eastern European exporters. Food imports into eastern Europe increased in volume almost certainly more than in value, and the increase was particularly great in Poland. Increases of about one-third in imports both of equipment and of raw materials and fuels into these countries certainly represented a greater growth in the volume of supplies in the latter category:

Imports into four eastern European countries [a]

	1955 (Millions of dollars)	*1957*	*Percentage increase*	*1958* (Millions of dollars)
Machinery and equipment	567	740	*31*	789
Fuels and raw materials	1 539	2 071	*35*	2 069
Unprocessed and processed food	519	634	*22*	514
Consumers' manufactures	109	207	*90*	199

Source: Table 1.

[a] Bulgaria, Czechoslovakia, Hungary and Poland.

In eastern Germany it is clear that imported supplies of fuels, raw materials and equipment rose in 1957 at least as fast as in the four countries covered by the above figures — and probably faster.

As can be seen from the data in Table 1, 1958 was in a sense a year of consolidation in eastern Europe. The value of imports rose again in eastern Germany, and certainly the volume increased much more; and the volume of imports rose also in Bulgaria. But there were either insignificant changes or even decreases in import volumes in Czechoslovakia, Hungary and Poland.[4] In the last three countries, imports from the Soviet Union in 1958 fell, in value, proportionately more than total imports, and the share fell also in eastern Germany (see Table 2); but this does not necessarily imply a reduction in the volume of supplies of raw materials and fuels from that country, since prices of such products most probably declined in intra-eastern-European, as in world, trade. Moreover, a considerable part of the reduction in total imports from the Soviet Union must have been due to smaller purchases of grain following the generally good eastern European harvests of 1957.

It seems, however, that the rising trend of trade of the eastern European countries with western Europe in recent years, illustrated in Table 2, was not interrupted in 1958; and western European statistics indicate a not insignificant rise in the value of trade in both directions, though there was a noticeable decline in trade between western Europe and the Soviet Union:

Trade of western Europe with eastern Europe and the Soviet Union

		Eastern Europe	*Soviet Union*
		(Millions of dollars)	
Imports into western Europe	1957	967	863
	1958	1 058	787
Exports from western Europe	1957	907	626
	1958	939	561

[4] See Chart 1 below.

TABLE 2

Area distribution of exports and imports of eastern European countries and the Soviet Union

	Exports						Imports					
	Value in		Increment [a] of value from				Value in		Increment [a] of value from			
	1950	1957	1950 to 1953	1950 to 1955	1950 to 1957	1950 to 1958	1950	1957	1950 to 1953	1950 to 1955	1950 to 1957	1950 to 1958
Bulgaria												
Millions of dollars	*124*	*370*	*82*	*106*	*246*	*246*	*141*	*332*	*59*	*54*	*191*	*216*
Percentage shares :												
Soviet Union	53	54	48	39	55	..	55	53	32	21	51	..
Other eastern European countries	32	30	28	45	29	..	30	26	51	59	24	..
Asian countries in eastern trade area	—	3	8	8	4	..	—	4	9	7	7	..
Western Europe	12	10	15	7	9	..	14	15	5	9	16	..
Rest of World	3	3	1	1	3 *	..	1	2	3	4	2 *	..
Czechoslovakia												
Millions of dollars	*779*	*1 358*	*214*	*397*	*579*	*734*	*639*	*1 387*	*240*	*414*	*748*	*718*
Percentage shares :												
Soviet Union	25	29	57	52	35	41	30	39	65	43	46	37
Other Eastern European countries	28	27	81	30	25	27	25	26	57	39	27	33
Asian countries in eastern trade area	2	8	24	13	15	16	2	5	17	11	8	11
Western Europe	29	21	−36	−6	11	5	30	20	−30	−3	11	11
Rest of World	16	15	−26	11	14	11	13	10	−9	10	8	8
Eastern Germany												
Millions of dollars	*406*	*1 811*	*562*	*872*	*1 405*	*1 484*	*470*	*1 616*	*513*	*703*	*1 146*	*1 210*
Percentage shares :												
Soviet Union	38	45	50	42	47	47	41	46	52	32	47	41
Other eastern European countries	30	23	25	22	21	20	34	20	16	23	14	16
Asian countries in eastern trade area	—	7	12	12	9	10	—	6	10	12	8	9
Western Europe	31	20	10	18	17	17	24	22	19	27	22	26
Rest of World	1	5	3	6	6	6	1	6	3	6	9	8
Hungary												
Millions of dollars	*329*	*488*	*174*	*280*	*159*	*351*	*316*	*683*	*155*	*218*	*367*	*314*
Percentage shares :												
Soviet Union	29	22	53	21	7	17	24	35	42	10	44	37
Other eastern European countries	37	35	30	31	30	31	32	31	43	28	31	33
Asian countries in eastern trade area	—	7	20	14	20	18	—	5	22	13	9	11
Western Europe	28	29	−6	23	34	27	37	25	−3	41	15	14
Rest of World	6	7	3	11	9	7	7	4	−4	8	1	5
Poland												
Millions of dollars	*630*	*975*	*201*	*284*	*345*	*429*	*668*	*1 250*	*106*	*264*	*582*	*559*
Percentage shares :												
Soviet Union	25	27	60	45	30	26	29	34	70	45	39	25
Other eastern European countries	32	26	30	17	15	10	32	24	47	15	14	18
Asian countries in eastern trade area	1	5	12	10	13	16	—	3	23	13	7	7
Western Europe	38	33	−9	8	25	23	30	25	−31	21	20	31
Rest of World	4	9	7	20	17	25	9	14	−9	6	20	19
Rumania												
Millions of dollars	*207 **	*390 **	*134 **	*184 **	*183 **	*223 **	*245 **	*415 **	*140 **	*139 **	*170 **	*170 **
Percentage shares :												
Soviet Union	62 *	45 *	46 *	32 *	26 *	..	46 *	48 *	28 *	56 *	50 *	..
Other eastern European countries	31 *	23 *	36 *	33 *	13 *	..	33 *	26 *	53 *	17 *	17 *	..
Asian countries in eastern trade area	—	8 *	2 *	6 *	16 *	..	— *	3 *	4 *	6 *	6 *	..
Western Europe	6 *	20 *	11 *	19 *	37 *	..	18 *	17 *	14 *	9 *	16 *	..
Rest of World	1 *	4 *	5 *	10 *	8 *	..	3 *	6 *	1 *	12 *	11 *	..
Total of six countries												
Millions of dollars	*2 475*	*5 392*	*1 367*	*2 123*	*2 917*	*3 467*	*2 479*	*5 683*	*1 213*	*1 792*	*3 204*	*3 187*
Percentage shares :												
Soviet Union	32	36	52	40	40	..	34	40	51	35	46	..
Other eastern European countries	31	26	37	26	22	..	30	24	36	27	20	..
Asian countries in eastern trade area	1	7	14	12	11	..	1	5	14	12	8	..
Western Europe	29	23	−2	12	18	..	28	22	1	19	17	..
Rest of World	7	8	−1	10	9	..	7	8	−2	7	9	..
Soviet Union												
Millions of dollars	*1 795*	*4 382*	..	*1 669*	*2 587*	..	*1 456*	*3 938*	..	*1 611*	*2 482*	..
Percentage shares :												
Eastern European countries	56	58	..	47	60	..	58	49	..	50	43	..
Asian countries in eastern trade area	28	15	..	25	7	..	19	22	..	32	23	..
Western Europe	11	18	..	21	22	..	17	17	..	12	18	..
Rest of World	5	9	..	7	11	..	6	12	..	6	16	..

Sources : See " Notes to the statistics."

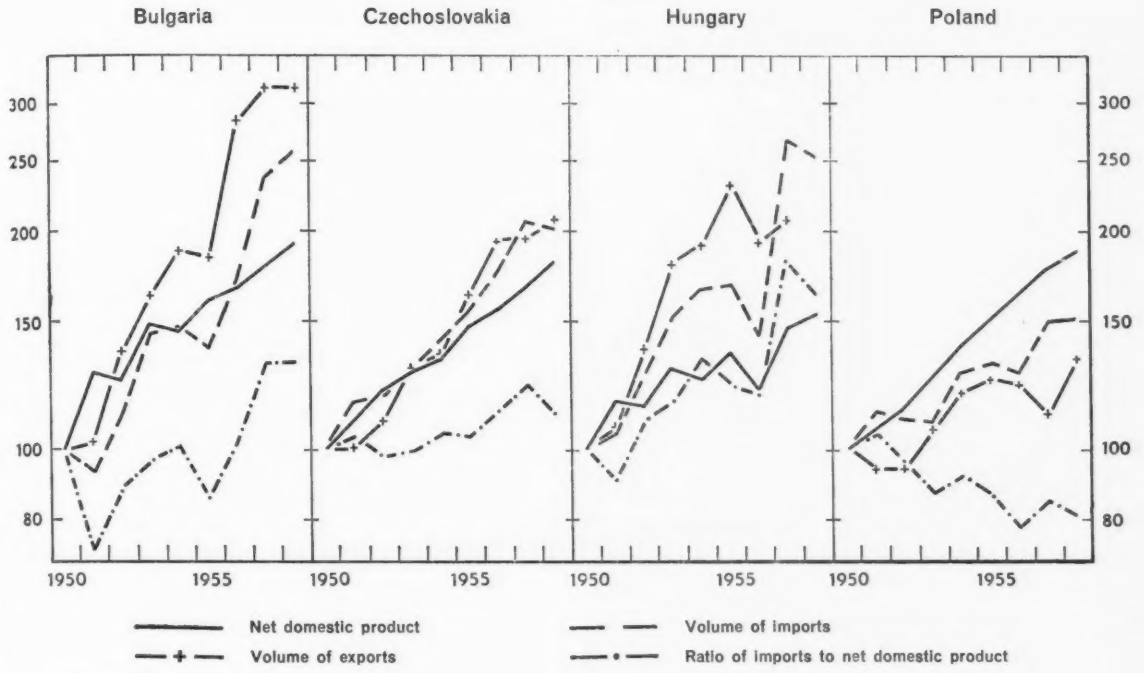
NOTE. — For general notes, see Table 1. — For Hungary in 1950, 1957 and 1958 exports are valued f.o.b. and imports c.i.f. In 1953 and 1955 both exports and imports are valued at the point of change of ownership which frequently means that imports are f.o.b., and exports c.i.f. — Trade of eastern Germany with western Europe includes trade with western Germany. — Rumanian data are tentative estimates derived from the trade partner's statistics. Some Soviet re-sales of Rumanian products seem to appear in western trade statistics as exports from Rumania.

[a] The percentages show the increase or decrease (−) in trade with each area as a percentage of the increment of total trade.

CHART 1

Net domestic product and foreign trade

Index numbers of volume: 1950 = 100
Semi-logarithmic scale



Source: Appendix Table X.

NOTE. — Data received since preparation of this chart indicate that the export volume index for Hungary reached 330 in 1958.

Dependence on Imports in Eastern Europe

Despite the recent trade expansion, the average annual per capita turnover of visible trade in eastern Europe remains far below that of western European countries — some $120, compared with an average of $280 for the member countries of OEEC and also for the six members of the European Economic Community alone (see Table 13, below). However, in Czechoslovakia and eastern Germany, where per capita incomes and production structures most nearly approach those of the industrialized countries of western Europe, annual per capita trade turnover amounts to some $210 and $200 respectively.[5]

Nevertheless, the 1957 and 1958 levels of imports into eastern Europe seem to have been sufficient to permit, in most countries, an expansion of industrial output as fast as, or even faster than, in the immediately preceding years, and a recovery of production in Hungary from the 1956/57 trough. Moreover, the higher levels of imports combined with improvements in key sectors of domestic output (such as power generation) to reduce the irregularity of supplies to, and output of, processing industries and thus to permit more efficient use of both industrial capacity and labour.[6] As can be seen from Chart 1, this has apparently required a very sharp rise in the ratio of imports to net domestic output in the last two or three years in Bulgaria, Czechoslovakia and Hungary; and rough estimates of changes in the volume of trade indicate a similar development in eastern Germany. Poland is the one notable exception, though Rumanian experience may have been similar.[7]

[5] The range of per capita values of trade for other countries in earlier years was illustrated in the SURVEY for 1957, Chapter VI, p. 21.

[6] See the SURVEY for 1957 (Chapter I, section 2) and 1958 (Chapter I, sections 1 and 4). There is some evidence, in a number of countries, that investment in stocks of imported raw materials and fuels may have been less than normal in 1958. It may thus be reasonable to regard the ratios of imports to output illustrated in Chart 1 as rather above the minimum necessary for a smooth flow of production in 1957 and rather below this minimum in 1958.

[7] See Appendix Table X.

The fact that the basic national income data are calculated at domestic prices and those for external trade at foreign trade prices (except for Hungary, where both series are calculated at domestic prices) somewhat weakens the comparability of the series illustrated in the chart;[8] but the direction of the change shown for each country in the ratio of imports to domestic output during the 1950s, and the indications of an almost universal upward leap of the import content of output in 1957 persisting into 1958, are unlikely to be seriously misleading. Hungary and Bulgaria (and certainly eastern Germany also) appear to have experienced the fairly consistently faster growth of trade than of domestic output that has been common experience in western Europe and which might normally have been even more expected of countries going through a phase of rapid industrial growth; and in Czechoslovakia the two series moved more or less in parallel until 1956. The fall in the ratio of imports to output is a striking feature of Polish experience. These trends immediately raise the question how far the developments of the last two or three years presage a continuing phase of more rapid growth of imports into eastern Europe. The answer will depend both on the desired future pattern of domestic output and expenditure in each country and on the possibility of developing exports in the future to pay for whatever level of imports is implied by these objectives.

At the present time, the trade structures of the area, as well as consumption patterns, reflect mainly the past determination to restrict dependence on imports, and particularly on imports from "western" sources. According to the Chairman of the USSR Gosplan, the import needs of the member countries of the Council for Mutual Economic Aid in 1957 were met from mutual deliveries to the extent of 78 per cent for machinery and equipment, 72 to 95 per cent for fuels, iron ore, pig iron and chemical fertilizers, 60 per cent for rolled steel and 52 per cent for cotton.[8a]

The past structure of food consumption in most countries has clearly reflected the desire to hold down its import content, moderated only by the priority generally given to maintaining plentiful supplies of the absolutely basic foods such as bread and sugar, though this policy has recently been somewhat moderated in most countries.[9] The need to raise domestically produced supplies of all the major foodstuffs has been, and remains, an aim of all their plans, none of which contemplates any significant increase in import dependence in this sector.

Fuels and raw materials represent a sector in which most countries of the area have been consistently eager importers, but less interested in expanding production for export — particularly for export within the area. There has been some tendency to develop domestic sources of supply wherever physically possible, even at very high cost (e.g., steel output in eastern Germany or coal production in Hungary). This has not, however, reflected a deliberate choice of national self-sufficiency in this field so much as the general shortage of supplies within the area — brought about in part by an excessive concentration of investment in the early 1950s in the processing sectors in practically every country; in part by the discouraging effects on investment for export of the adoption of pricing principles which do not reflect the real relative scarcities or production costs of such goods within eastern Europe; and in part by a reluctance to accept dependence on supplies from outside the area (based on actual or potential difficulties of payment or, in some cases, of access to such supplies).[10]

The change in the character of the six eastern European countries from that of a region with a net import surplus in the machinery and equipment group to that of an area providing a substantial net surplus of exports, reflects both the concentration on expansion of engineering capacity in past investment and production plans, and also the general slackening of the industrial investment drive after 1953. This helped to bring about the fall in imports of equipment into the area in subsequent years, which was decisively reversed only in 1956/57 (see Table 3). Imports have certainly fallen during the 1950s, relatively to home production of equipment, or to fixed investment, in all those countries which are still net importers of such products; and the growth of exports of machinery has everywhere been very rapid, though the total values are still only of minor importance in

[8] The methodology of national accounting as applied in Czechoslovakia, Hungary and Poland (practice in other countries is not clear) also tends somewhat to distort the apparent relationship of growth of imports and growth of domestic output. For example, net domestic product as shown in Chart 1 (in some countries termed "national income produced") is calculated as "value added" in domestic production (excluding "non-productive" services) less depreciation, but deducting also the excess of the domestic value of exports over the domestic value of imports resulting from a notional balance of trade in *foreign exchange values* at the actual level of either imports or exports, whichever is the lower (or adding the excess of the domestic value of imports over the domestic value of exports). The remainder of the actual foreign balance in domestic values is added to or deducted from net domestic product, to give resources available for domestic use or "disposable" (or "realized") national income. Thus, whenever the level of either imports or exports rises very steeply the apparent growth of net domestic product is less (or more) than it would have been if the calculation were made entirely in domestic prices. In Hungary, for example, a sharp rise in exports in 1958 deflated the growth of domestic product between 1957 and 1958.

[8a] *Pravda*, 28 April 1959.

[9] See the SURVEY for 1958, Chapter IV.

[10] The controls imposed by some western countries on trade with eastern Europe were most extensive in the early 1950s.

TABLE 3

Trade in machinery and equipment of eastern Europe and the Soviet Union

Millions of current dollars

	1950	1951	1952	1953	1954	1955	1956	1957	1958
Imports of machinery and equipment									
Bulgaria	52 *	59	62	77	73	77	105	99	139
Czechoslovakia	71	94	105	123	112	140	203	260	253
Eastern Germany	(38)	(32)	(43)	(44)	(41)	40	64	115	175 *
Hungary	66	83	96	88	74	62	58	84	73 *
Poland	214	305	302	310	294	288	339	297	324
Rumania	91 *	79 *	129 *	160 *	106 *	95 *	72 *	62 *	..
Total of six countries	532	652	737	802	700	702	841	917	..
Soviet Union	314	..	..	..	..	925	895	940	..
Total of seven countries	846	..	..	..	..	1627	1736	1857	..
Exports of machinery and equipment									
Bulgaria	— *	(..)	4	5	5	7	12	28	34
Czechoslovakia	206	237	294	421	387	511	559	555	657
Eastern Germany	(129)	(339)	(368)	(576)	(751)	712	730	793	890 *
Hungary	74	91	115	177	172	179	150	189	245
Poland	73	(67)	(85)	102	96	120	154	195	285
Rumania	9 *	13 *	18 *	28 *	28 *	26 *	40 *	41 *	54 *
Total of six countries	491	747	884	1309	1439	1555	1645	1801	2165
Soviet Union	213	..	..	..	..	599	624	652	..
Total of seven countries	704	..	..	..	..	2154	2269	2453	..
Surplus of imports (−) or exports (+)									
Bulgaria	−52	−59	−58	−72	−68	−70	−93	−71	−105
Czechoslovakia	+135	+143	+189	+298	+275	+371	+356	+295	+404
Eastern Germany	(+91)	(+307)	(+325)	(+532)	(+710)	+672	+666	+678	+715 *
Hungary	+8	+8	+19	+89	+98	+117	+ 92	+105	+172
Poland	−141	(−238)	(−217)	−208	−198	−168	−185	−102	−39
Rumania	−82 *	−66 *	−111 *	−132 *	−78 *	−69 *	−32 *	−21 *	..
Total of six countries	−41	+95	+147	+507	+739	+853	+804	+884	..
Soviet Union	−101	..	..	..	..	−326	−271	−288	..
Total of seven countries	−142	..	..	..	..	+527	+533	+597	..

Sources : National foreign trade statistics; direct communications from governments; and *Die Materialwirtschaft*, No. 8, 1959, p. 5.

NOTE. — For eastern Germany in 1950-1954, the data cover all engineering products, including metal-made consumers' goods. However, these may well have been a relatively minor element in the total trade during these years.

Bulgaria and Rumania. The only countries which have significantly raised both their imports and their exports are Czechoslovakia and eastern Germany — already large exporters at the beginning of the period.[11]

There seem, indeed, to be relatively few instances of an expanding trend of a country's imports and exports in any fairly narrowly defined industrial sector during the 1950s; and the general tendency seems to have been for rising output in any sector to be devoted first to replacement of such imports as existed. There are, however, exceptions. Czechoslovakia, eastern Germany and Hungary appear as both importers and exporters — sometimes on an increasing scale — of various types of equipment (for example, textile machinery and chemical equipment in Czechoslovakia, machine tools in eastern Germany, Hungary and Poland, motor trucks in Hungary); and the very recent revival of trade in consumers' goods has revealed eastern Germany as both an exporter

[11] The figures in Table 3 over-state the rate of growth of east German exports of machinery and equipment in the mid-1950s, since, up to 1954, substantial quantities were exported as reparations without being recorded in trade statistics.

and an importer of cotton textiles and motor-cycles, and Poland as both an exporter and importer of cotton textiles; trade in both directions in rolled steel has increased recently in Czechoslovakia, Hungary and Poland.

Nevertheless, it remains broadly true that, throughout eastern Europe, the past and present patterns of trade present a picture of the development of little more than the essential margin of foreign trade necessary to support the growth of output actually achieved — a development which has tended to increase dependence on imports of raw materials and food as dependence on imports of equipment and other manufactures has been reduced. A brief examination of past trends in each country throws some light on the nature of its present trade dependence, and on the probable course of future development if its trading policies (and those of other countries) are not significantly changed. The remainder of this section is devoted to such a review of trade dependence in eastern Europe and also in the Soviet Union.

TABLE 4

Volume of external trade of Czechoslovakia [a]

Index numbers, 1950 = 100

	Exports to:		Imports from:	
	Eastern trade area [b]	Other countries	Eastern trade area [b]	Other countries
1951	118	78	134	90
1952	143	65	148	76
1953	176	67	170	67
1954	175	84	183	79
1955	196	121	187	111
1956	220	160	197	145
1957	223	159	245	152
1958	267	136	240	148
1958 value in millions of dollars	*1 065*	*448*	*957*	*400*

Source: 1958 statistical yearbook, p. 315, and *Statistické Zprávy*, No. 2, 1959.

[a] Based on 1953 prices.

[b] Including Yugoslavia.

Czechoslovakia

Subject to only a temporary stabilization in 1952 and a second levelling-off in 1958, Czechoslovakia has succeeded in increasing the volume of its imports fairly steadily throughout the 1950s, though only since 1956 has the ratio of imports to domestic output apparently risen significantly. The sustained growth of imports in the later years was achieved despite worsening terms of trade during 1953 to 1957 [12] and the absorption of some of the earnings of Czechoslovak exports by credits given to other countries in eastern Europe and elsewhere.[13]

The slackening of the expansion of total output during 1953 and 1954, which was more pronounced in Czechoslovakia than in any other country of the region except Hungary, reflected an especially marked slowing-down of the growth of output of producers' goods and a levelling-off of investment activity. This check to the pace of expansion can be attributed only in very small part to deliberate decisions — to change somewhat the pattern of development of output in favour of consumers' goods and to concentrate investment resources on completion of projects already under way and on quicker yielding investment in general. The overwhelmingly more important cause was the fact that, although there was no check to the rate of growth of imports, this rate was insufficient to compensate for the growing disproportion between the development of domestic processing capacities and the slower rise in production of basic materials and fuels. The trade expansion was particularly inadequate, first, because rising needs for imported foodstuffs raised food imports in 1953 and 1954 to the highest share of the total recorded in any of the years 1949 to 1958;[14] and, secondly, because the growth of total trade was concentrated on the other eastern European countries and the Soviet Union — themselves increasingly oppressed by the same shortages that were hampering Czechoslovak industry — while trade with the rest of the world shrank (see Table 4). Conversely, the steady growth of output resumed after 1954 was accompanied by a faster rise of trade with "western" countries than of total trade, which nevertheless was until very recently insufficient to prevent continuing specific shortages.

At the present time, the concentration of exports on manufactured products (62 per cent of the total) and imports on fuels and raw materials (55 per cent) does not differ very greatly from that in eastern Germany or Hungary, but is much greater than in other countries of the region. Czechoslovakia has been more successful than either of the two countries just mentioned in building up exports to "western" destinations, which took more than 25 per cent of exports of equipment and 35 per cent of all Czechoslovak exports in 1957.[15] On the other hand, about 85 per cent of all equipment imports are drawn from other countries of the "eastern" trade area. Non-ferrous

[12] It is noticeable that the check to the growth of imports in 1952 followed a marked worsening of Czechoslovakia's terms of trade in the previous year.

[13] See the SURVEY for 1957, Chapter VI, Table 17, and Table 10, below.

[14] See Table 1 and the SURVEY for 1957, Appendix A, Table XXXIII.

[15] The share of such countries in exports of equipment in 1958 fell to 19 per cent and their share in the total to 30 per cent.

metals and ores — contributing the bulk of all supplies — plus marginal, though essential, imports of ferrous metals and ores make up more than 15 per cent of all imports; fibres and hides account for a rather smaller share, and the vital marginal supplies of fuels and energy and of chemicals each account for about 7 per cent. Imports from "western" sources are heavily concentrated on fuels and raw materials — to the extent of nearly 70 per cent of the total value of such trade both in 1957 and in 1958; imports of equipment accounted for another 10 per cent, foodstuffs for rather less than 20 per cent, and consumers' manufactures for only 2 per cent.

It has been officially stated that foreign trade turnover in 1956 was equivalent to about 24 per cent of national income in Czechoslovakia.[16] As might be expected, exports take a significant share of total output in a number of branches of industry, including some, such as textiles, where the import content of output is high:

Exports in physical units as a percentage of production

	1955	*1957*	*1958*
Metal-working machine tools	22	28	38
Motor trucks	24	25	34
Rolled steel	26	17	14
Cotton fabrics	23	33	28
Woollen fabrics	5	14	..
Leather shoes	12	37	41
Motor-cycles	33	58	74

Sources: Statistical yearbooks: and *Statistické Zprávy*, No. 2, 1959.

It has also been reported that exports absorbed 39 per cent of the gross output of the glass industry in 1956, 32 per cent of ceramics, 22 per cent of engineering output and about 18 per cent of production both of textiles and of leather goods.[17] Nevertheless, it is an illustration of the extent to which trade dependence in Czechoslovakia has been restricted to imports of essential goods, that per capita imports of consumers' manufactures amounted in 1957 to only $4.1 (and to less in 1958) and per capita imports of tea, coffee and cocoa to only $1.2 (rather more in 1958) as compared with $14.0 and $6.0 respectively in western Germany. Any precise comparison of the over-all "import content" of output in the two countries is precluded, *inter alia*, by differences in definitions of national income and in price structures. However, it can be said with some confidence that if Czechoslovak national income and trade were recalculated using "western European" definitions and prices, the ratio of imports to national income of something like 12 per cent implied by the figure quoted above would be reduced, which would bring it well below the 18 per cent ratio in western Germany and still further below the 35 per cent of Belgium.[18]

Eastern Germany

Since no indications of changes in the volume of eastern German foreign trade have been published, and even the value data are comprehensive only since 1954,[19] it is virtually impossible to assess the development of the over-all trade dependence of the east German economy, though it is obvious that imports have risen steeply in relation to domestic output in at least the last three years.[20] According to calculations made in eastern Germany, some 14 to 15 per cent of industrial output was exported in 1954, the first year without direct reparations deliveries.[21] Assuming imports to have been of similar magnitude when valued in domestic prices,[22] and allowing for the fact that about half the total consisted of food and consumers' goods, the import content of industrial output (gross commodity output, including all inputs from other sectors) can hardly have exceeded the very low proportion of 7 per cent.

Nevertheless, in some sectors import dependence has always been very great (see Table 5); and, according to the President of the East German Planning Commission, "there is no other country so highly industrialized as the German Democratic Republic which depends so heavily on imports for such vital raw materials as rolled steel, hard coal, metallurgical coke and non-ferrous metals".[23] In other sectors, by contrast, replacement of imports by domestically produced substitute materials has been carried to considerable lengths — for example, replacement of wool and cotton by staple fibre, and of natural leather, rubber and crude petroleum by synthetic or other substitutes.

The expansion of eastern German exports has itself been hampered until recently by raw material and fuel scarcities. Moreover, their heavy concentration in earlier years on a relatively restricted range

[16] On a "material product" basis of calculation (see *Nová Mysl*, No. 6, 1958). The percentage is stated to be one of the highest in eastern Europe — which seems only doubtfully correct (see below).

[17] These percentages appear to relate to the value of gross commodity output, net of duplication within the industrial branch concerned, but including inputs from other branches (ibid.).

[18] Both the last two percentages relate imports of goods (c.i.f.) to gross national product at factor cost.

[19] Neither goods exported as reparations nor imports by the Soviet-owned companies in the years up to 1954 were recorded in the foreign trade statistics.

[20] See Appendix Table VIII.

[21] See Kohlmey, *Wirtschaftswissenschaft*, No. 1, 1958, p. 71. This calculation refers to gross commodity output of industry net of duplication within the industrial sector, but including all inputs from other sectors.

[22] They would in fact almost certainly have been smaller (see the SURVEY for 1957, Chapter VI, Table 21).

[23] *Die Wirtschaft*, 20 December 1956.

TABLE 5

Indicators of export and import dependence in eastern Germany

	Exports as percentage of commodity production	
	1954	1956
Metal-using industries	30	24
of which:		
Heavy engineering	37	36
of which:		
Machine tools	60	..
Transport equipment	63	..
Steel construction	2	..
General engineering	30	21
of which:		
Agricultural machinery	3	..
Textile machinery	45	..
Vehicles	35	17
of which:		
Motor trucks	..	33 [a]
Motor-cars	..	35 [a]
Shipbuilding	50 [b]	79
Electrical engineering	22	15
Precision instruments and optics	45	35
Basic materials industries	..	9
of which:		
Chemical industry	..	20
Light industry	..	9
Food industry	..	2
Total industry	12	12

	Net imports as percentage of total supplies 1956-1957 average
Foodstuffs	
Processed animal fats	29
Meat	13
Butter	21
Fatty cheese	33
Fish and fish products	67
Grain	23
of which:	
Wheat	40
Oil-seeds	67
Raw materials and fuels	
Hard coal	67
Hard-coal coke	47
Crude oil	100
Iron ore	32
Pig iron	20
Rolled steel	29
Cotton	100
Wool	80

Sources: Statistisches Jahrbuch der Deutschen Demokratischen Republik, 1957; *Der Aussenhandel*, No. 23, 1958; *Vierteljahreshefte zur Statistik*, 1958, Nos. 2 and 3; *Wirtschaftswissenschaft*, No. 1, 1958, p. 70.

NOTE. — Commodity production in this table is gross of duplication within industrial sectors.

[a] 1957.

[b] 80 to 90 per cent if indirect exports of sub-contractors were included—as they probably are in the 1956 figure.

of engineering products, and — to a greater extent than in any other industrialized country of the region — on eastern European and Soviet markets, has had some unfortunate consequences. First, the volume of total output in some of the major exporting branches of the engineering industries has hardly been large enough to provide scope both for economies of large-scale production and for specialization in design, etc., to suit particular markets;[24] and, secondly, eastern Germany suffered more than the other major eastern European exporter of engineering products, Czechoslovakia, from the levelling-off of imports of such goods into the countries of the region after 1953 (see Table 3), though the difficulties thus created were at first somewhat eased by the ending of reparations.

The export and import expansion of the 1950s has, in fact, sufficed to support a rate of growth of total domestic output as fast as that registered anywhere else in eastern Europe, though from a relatively lower level in relation to that of pre-war. But the demands on import capacity of rising food purchases — necessitated by the slow growth of agricultural production — together with those of other consumers' goods, made it impossible until 1957 either to avoid dislocations due to scarcities of imported fuels and materials or to discontinue high-cost import-saving production (e.g., distillation of petroleum from coal) for which capacity already existed.

The "crisis" of eastern German trade came in 1955/56. The effects of slack export demand for engineering products were then reinforced by the initiation of a major new east German investment drive — aiming, *inter alia*, at a complete re-tooling of the engineering industries within two to three years — and, later, by a reduction in availabilities of imported fuels and metals consequent upon events in Poland and Hungary at the end of 1956. However, new Soviet credits in 1957, and a rise in Soviet purchases of east German products, permitted a 22 per cent rise in the value of imports in that year, followed by an increase of another 4 per cent (some 15 per cent in volume) in 1958. These developments, and the assurance of future support given by the final termination of Soviet occupation costs and by long-term plans and trade agreements,[25] seem to have provided the margin of safety necessary to permit the east German authorities to begin putting into effect a policy of both expanding the level and changing the composition of foreign trade. The engineering industries seem likely to continue to contribute the greater

[24] For example, in 1957, production of office machinery was in series usually between 5,000 and 30,000, as compared with "optimum" figures in the range of 30,000-60,000; in 1958, about 39,000 motor-cars were produced (not all in one works), whereas the optimum scale of production is put at 70,000 of any make (*Die Wirtschaft*, 5 December 1957).

[25] See section 2, below.

part of eastern Germany's exports ; but some progress has already been made both in adjusting the composition of output and exports towards goods with a lower materials, and higher " skill ", content [26] and in expanding the share of other manufactures in total exports. Moreover, the decision seems to have been taken to accept a larger future import bill, even for engineering products, as the price of greater specialization in production and expansion of exports regarded as particularly profitable — though some part of the increase in eastern German imports of such goods may be rather the result of hard bargaining by trading partners than of a deliberate calculation of east German interests. Thus, in 1957, exports of industrial goods other than engineering products rose in value by 56 per cent, as compared with 9 per cent for the latter category ; and in 1958 a rise of some 11 per cent in the value of engineering exports was accompanied by an 84 per cent increase in imports of engineering products. The 1959 plan provides for a continuation of this trend, with a 14 per cent increase in engineering exports and a 35 per cent rise in imports in the same category.

Eastern Germany still sold 75 per cent of its exports in the eastern trade area, and 45 per cent in the Soviet Union alone, in 1958 — a far higher proportion than prevails in Czechoslovakia, Hungary or Poland — so that its fortunes are particularly linked, for some time to come, with the trading policies of these countries.

Poland

In contrast with eastern Germany, Poland's foreign trade is less concentrated on the " eastern " trade area than is that of any other eastern European country (see Table 2). Nevertheless, the Soviet Union and eastern Europe absorb some 75 per cent of Polish exports of machinery and equipment — the most rapidly expanding sector of trade — while food exports find their main market in western Europe, which also takes about half of Poland's coal exports. Overseas countries other than those of the " eastern " trade area absorb about 80 per cent of exports of cotton fabrics, which accounted for nearly half the total value of exports of consumers' goods in 1957. Although precise figures are not available, it can thus be said that something approaching two-thirds of Poland's present exports to western markets are composed of products for which prospects in the near future — either on demand or on supply grounds — are not particularly favourable.[27]

While this indicates a problem of export expansion if import requirements from western sources rise, Poland's minimum over-all dependence on foreign trade seems, both actually and potentially, less than that of other countries of the region apart from the Soviet Union ; and, in fact, Poland is the one country to have exhibited both a fairly steadily rising trend of domestic output and a falling ratio of imports to net domestic product during the 1950s (see Chart 1). The ability to supply virtually all domestic requirements of basic foods — except for an annual import normally of about a million tons of bread grain — with some net export surplus of foodstuffs, and also to provide a net export surplus in the energy field has been, and should remain, a source of strength. Having regard to Poland's fuel, raw material and food resources,[28] its " minimum " future import dependence could be expected to be similar to that of France.

This is not to say, however, that the past ratio of imports to domestic output in Poland has been adequate for the desired rate and pattern of development. A constant problem has been to develop other exports to supplement the diminishing export surplus of foods and fuels. Output in both these sectors grew only slowly, and Poland's needs for energy rapidly increased, while food consumption had for many years to be restrained even to secure a rapidly diminishing export surplus in this sector.[29] The success achieved in developing exports of machinery and equipment, and in replacing imports of such goods in recent years (see Table 6), was insufficient, until 1957-1958, to provide for a level of total imports which could prevent bottlenecks when the inevitable discrepancies appeared between the actual and planned phasing of expansion of domestic raw material and processing capacities, or when changes in harvests or in patterns of domestic consumption and investment gave rise to sudden additional needs for imports of food or of consumers' goods and materials for the consumer-goods industries.

A higher level of imports in relation to domestic product than in the past is essential to provide flexibility in the pattern of national expenditure in a country still in process of rapid industrial development, quite apart from the benefits that might be derived from more economic specialization of production. The main hope of the Polish authorities lies

[26] See the SURVEY for 1957, Chapter VI, pp. 17-19, and for 1958, Chapter I, pp. 34 and 35.

[27] See Appendix Table XIV.

[28] Poland's natural resources (in addition to a rapidly growing labour force) may be summarized roughly as follows: ample opportunity for further raising agricultural output to a level adequate at least for continuing self-sufficiency in all but tropical foods (e.g., tea, coffee, citrus fruit) and vegetable oils; ample supplies of hard and brown coal, sufficient to provide an export surplus which should offset import needs for oil; deposits of low-grade iron ore, and of copper, zinc, lead and nickel ores, already providing a net export surplus or self-sufficiency in the last three metals and promising an export surplus of copper; sulphur sufficient for domestic needs and for an export surplus if markets can be found.

[29] See the *Economic Bulletin for Europe*, Vol. 9, No. 3, pp. 36-37.

TABLE 6

Changes in the volume of external trade of Bulgaria and Poland in main commodity classes

Index numbers — 1950 or 1952 = 100

	Weights in 1950 or 1952 [a]	1950	1951	1952	1953	1954	1955	1956	1957	1958
Bulgaria										
Exports										
Machinery and equipment	2.2	..	..	100	96	127	169	381	735	..
Fuels and raw materials	58.8	..	..	100	92	105	108	172	157	..
Unprocessed and processed food	35.8	..	..	100	162	172	130	161	154	..
Consumers' manufactures	3.2	..	..	100	146	346	649	1243	2122	..
Total exports	100	73	75	100	119	137	135	207	232	..
Imports										
Machinery and equipment	39.4	..	..	100	123	127	125	156	164	..
Fuels and raw materials	55.1	..	..	100	135	131	117	153	203	..
Unprocessed and processed food	1.0	..	..	100	109	191	518	264	1400	..
Consumers' manufactures	4.5	..	..	100	146	173	112	140	527	..
Total imports	100	90	84	100	130	132	124	155	215	..
Poland										
Exports										
Machinery and equipment	6.7	100	104	153	208	198	245	309	392	..
Fuel and raw materials	67.8	100	96	91	96	112	118	110	88	..
Unprocessed and processed food	16.3	100	96	92	118	128	119	94	104	..
Consumers' manufactures	9.2	100	72	81	93	109	99	138	108	..
Total exports	100	100	94	94	107	120	125	123	112	134
Imports										
Machinery and equipment	30.8	100	144	143	147	135	133	109	96	..
Fuels and raw materials	55.0	100	99	90	99	119	124	128	161	..
Unprocessed and processed food	9.2	100	94	125	74	180	186	203	309	..
Consumers' manufactures	5.0	100	123	89	57	86	117	173	223	..
Total imports	100	100	114	110	109	128	132	128	150	152

Sources : Information received from the Bulgarian Government; *Economic Bulletin for Europe*, Vol. 9, No. 3, 1957, Table 12, p. 37; and information received from the Polish Government.

[a] For Bulgaria, 1952; for Poland, 1950.

in a further expansion and diversification of engineering exports, since they do not appear to be counting upon a significant further improvement in the trade balance in foodstuffs or on more than a diminishing export surplus in the energy sector.[30] Exports are estimated to have absorbed 14 per cent of the commodity output of the engineering industries in 1955. The share is expected to rise to 19 per cent in 1960 and to remain at that figure in 1965 and is probably approaching this figure already; but the range of exports is relatively restricted. More than 90 per cent of shipbuilding output and more than half the output of railway rolling stock were exported in 1955, but the share of exports in output of other machinery and equipment was only 4 per cent. By now, however, this last share is probably approaching the 10 per cent expected both in 1960 and 1965; and it is intended that Poland should become a net exporter of machinery and equipment during this period.

[30] See section 2, below.

Hungary

If Poland can be compared, at least potentially, with France, Hungary more resembles Denmark in the richness of its soil,[31] density of population and poverty in fuels and raw materials. It has only low-grade coal deposits, meagre resources of petroleum and relatively small hydro-electric resources; it has no high-grade iron ore and no other metal ores but bauxite. Industrialization must inevitably be based either on a high and growing level of foreign trade or on extremely high-cost import-saving production of substitute fuels and materials.

The expansion of domestic output in Hungary has been slower and more frequently interrupted during the 1950s than in other countries of the region. Scarcity of imports has been largely responsible for the recurring checks to industrial output, though the

[31] In Denmark this richness is, however, dependent to a greater extent than in Hungary on heavy capital investment in soil improvement.

uprising at the end of 1956 was, of course, a major factor reducing production in that year and in the early months of 1957. As can be seen from Chart 1, the ratio of imports to domestic product seems to have risen sharply during each phase of more rapid growth of output, and each slackening of domestic expansion is associated with a slower growth of imports. In terms of domestic prices — which tend to under-value imports (mainly raw materials) and to over-value exports (mainly high-quality foods, machinery and consumers' manufactures) as compared with world price structures — imports appear to have risen from the equivalent of some 12 per cent in 1950 to 16 per cent of net domestic product by 1954, when both were valued in 1949 plan prices, and to have risen again (from 12½ per cent to about 16 per cent at 1954 plan prices) from 1954 to 1957/58. The wide difference between internal and external price structures is illustrated by the fact that, with little difference between the foreign exchange values of total imports and total exports, exports as a percentage of net domestic product rose from 13½ to 21 from 1950 to 1954 and (at 1954 plan prices) from 20 to about 28 from 1954 to 1958.[32] The Minister for Foreign Trade stated, in August 1956, "We exchange nearly 25 per cent of our national income with foreign countries: each fourth forint produced by us passes through foreign trade."[33]

The share of fuels and raw materials in total Hungarian imports has never fallen below two-thirds in the last ten years — a greater concentration on these products than in any other country of the region. Imports of ores and metals alone in 1955 and 1957 exceeded the value of all machinery and equipment imports, and imports of textile raw materials exceeded those of all manufactured consumers' goods:

Imports into Hungary

(Millions of dollars)

	1955	*1957*
Fuels and electric power	56	125
Ores and metals	64	86
Textile raw materials and semi-manufactures	68	55
Timber and timber products	39	43
Machinery and equipment	62	84
Consumers' manufactures	18	43

The value of the first four groups of imports shown above alone accounted for 43 per cent of the total import bill in 1955 and 47 per cent in 1957.

Hungary remains dependent on imports for all rubber (natural and synthetic) consumed, some 60 per cent of raw wool and about half of all synthetic fibres and hides as well as, of course, all raw cotton. Of coal the vital 9 to 10 per cent of marginal supplies are imported and of coke some 75 per cent. Dependence on imported iron ore has, not surprisingly, risen during the 1950s — from 75 per cent to 90 per cent — and imported petroleum and petroleum products have risen from 18 per cent to over 70 per cent of total available supplies, though in both these cases it is planned to reduce the share of imports in the future. Sixty per cent of copper supplies are imported.

During the same period, rising domestic output has virtually eliminated, or prevented any need arising for imports of a number of items of equipment and of consumers' goods (for example, steam turbines, generators and transformers, locomotives, passenger coaches, motor buses and motor ships as well as cotton and woollen fabrics, shoes, radio sets, sewing-machines and bicycles[34]). Hungary is the only country of the region apart from Rumania where imports of machinery and equipment have risen by as little as 11 per cent in value (and presumably even fell in volume) during the 1950s. Imports still supply nearly all domestic requirements of textile machinery, but for most other engineering products a clear trend to reduce imports or to build up almost directly compensating exports is apparent. Thus the number of metal-working machine tools imported (580) in 1957 is surpassed by the number exported; rising imports of motor trucks and tractors have been matched by rising exports; a recent increase in imports of goods wagons is matched by rising exports of locomotives and passenger coaches, and imports of motor-cars are compensated by exports of buses.

The 230 per cent increase in the volume of exports achieved since 1950 has been provided mainly by machinery and equipment, though it has also been necessary to raise exports of materials very substantially; and special efforts to raise exports in 1958 resulted in a near doubling of sales both in this sector and also in that of consumers' goods. Exports of foodstuffs, on the other hand, have fallen during the 1950s despite the excellent natural conditions for Hungarian agriculture.

The shares of exports in total production in 1953 and 1954 have been calculated as follows:

Value of exports as a percentage of production

	1953	*1954*
Mining	1.8	3.1
Metals	8.3	11.2
Engineering	33.2	36.9
Chemicals	16.3	15.8
Building materials	5.7	8.8
Light industry	27.9	29.7
Food industry	11.6	12.3
All ministry-controlled industry	21.3	22.9

Source: Közgazdasági Szemle, No. 6, 1957, p. 654.

[32] See Appendix Table IX.

[33] *Szabad Nép*, 23 August 1956.

[34] See Appendix Table IV.

Since 1954 the share of exports in both engineering and chemicals production has almost certainly risen and the share of the output of light industries in 1958 was about the same as in 1954. At the same time, exports have been oriented more towards western European and overseas destinations. Some 20 per cent of equipment sales are now to these latter countries — mainly those of the eastern trade area ; western Europe takes little more than 10 per cent of equipment exports, but half Hungary's exports of food and, in 1957, about 30 per cent of exports of consumers' goods.[35]

Bulgaria

The dependence on foreign trade of Bulgaria and Rumania (as also of Albania, for which virtually no data exist) is completely different from that of the countries discussed above — and of the kind to be expected at their still early stage of industrial development. In Bulgaria, the metal-using industries contributed little more than 10 per cent of the gross value of industrial output in 1957, and a similar share of exports. Fuels and raw materials have contributed at least one-fifth of all exports in every year since 1952, and lately over 40 per cent ; tobacco remains a major export, though contributing a steadily falling share of the total (29 per cent in 1952 and 14 per cent in 1957) ; the share of foodstuffs in the total has also fallen (to 25 per cent in 1957) though with fluctuations from year to year due to crop variations ; and textiles exports have risen rapidly — from negligible values to 19 per cent of the total in 1957 — supported by supplies of the materials and purchases of the products by the Soviet Union. The bulk of Bulgarian output of iron ore, and of concentrates of copper, lead and zinc is still exported, though the proportions have been slowly falling as domestic processing industries are established or extended.

Imports, on the other hand, are almost entirely machinery and equipment and raw materials. Bulgaria is not very dependent on imported fuels, but two-thirds of all rolled steel consumed is imported, well over half of all fertilizers and rather more than half the raw cotton. About two-thirds of all machinery installed under central investment plans is imported.

The food processing and extractive industries, and a few others depending on indigenous materials, still account for by far the largest part of Bulgarian industrial production. Crop fluctuations thus have a considerably greater — though diminishing — impact on the over-all level of output than do changes in imports, though changes in supplies of materials and of orders to the textile industries by the Soviet Union have influenced output in that sector considerably. Moreover, changes in the volume of imports have themselves been determined largely by the impact of changes in production and relative prices of foodstuffs and tobacco on the volume of exports and terms of trade. There has therefore been a noticeable tendency to concentrate variations in imports on the raw-materials sector and to give priority to at least maintaining the level of imports of machinery and equipment (see Table 6).

The rate of growth of investment in machinery and equipment slackened somewhat following the stabilization of imports of such goods from 1953 to 1955, and the fall in imports of raw materials over the same period was certainly partly responsible for the slowing-down of the expansion of gross industrial output :

Annual percentage increases in gross industrial output

1952	17	1955	8
1953	14	1956	15
1954	9	1957	15

Source : Quarterly statistical bulletins.

Nevertheless, the very high rate of growth reported in 1952 and the relatively low rate of 1955 were attributable more to the particularly good harvests of 1951 and the bad crops of 1954 than to fluctuations in imports of industrial raw materials.

Bulgarian trade is oriented towards the Soviet Union to an extent equalled or surpassed only by Albania and Rumania, and the whole eastern trade area takes nearly 90 per cent of Bulgarian exports (see Table 2). The Soviet Union takes the lion's share of tobacco exports and provides, with Czechoslovakia and eastern Germany, the main export market for fruit, vegetables and meat.[36] The Soviet Union's importance as a supplier of textile materials and purchaser of products has already been mentioned, and a recent agreement has provided for a similar arrangement as regards Bulgarian exports of machinery — all of which go to " eastern " destinations, mainly the Soviet Union.

Conversely, imports from countries outside the " eastern " trade area are, of course, very limited — virtually to marginal supplies (seldom more than 15 per cent of all imports of the commodity in question) of steel, coke, oil, cotton and machinery, together with some natural rubber, building materials and chemicals.

Rumania

The paucity of data makes any analysis of Rumanian foreign trade extremely difficult. Raw materials and semi-finished products account for about two-

[35] See Appendix Table XII.

[36] See Appendix Table XI ; and the SURVEY for 1957, Chapter VI, p. 53, Table VI-P.

thirds of all exports, and oil products and timber alone for more than half. The slow growth of exports since 1955 has closely paralleled the trends of oil and timber production until 1958, when the rise in total exports probably reflected larger sales of foodstuffs following the good harvest of 1957:

	Exports (current values)	Output (quantities) Crude oil	Sawn timber
	(Index numbers, 1950 = 100)		
1953	165	179	106
1954	169	193	107
1955	189	209	90
1956	191	216	97
1957	188	221	99
1958	208 *	225	98

The oil and natural gas industries have absorbed 30 per cent of all industrial investment in Rumania since 1950, but only a small share has gone into refining — probably more because there has been a shortage of refinery equipment throughout eastern Europe than because of lack of interest in expanding refining in Rumania. Thus the declining return to investment in extraction has not been offset by any great increase in the share of high-value products in total oil output and exports.

Although domestic consumption has absorbed a rising share of production, some 60 per cent of the value of output of oil products is reported to have been exported in recent years,[37] and about 60 per cent of all exports went to the Soviet Union. So far, the greater part of Rumanian exports of the higher-value products (gasolene and gas-oil) have been absorbed by the Soviet Union, while "western" countries have provided the main market for fuel oil.

The second major export — timber — probably absorbs about 30 per cent of timber production,[38] and finds its main market in the "eastern" trade area though exports to western Europe are significant.

Such data as are available suggest that the structure of Rumanian imports must have changed considerably during the 1950s. The failure to increase export earnings during 1955 to 1957 necessitated a stabilization of total imports also; and priority seems to have been given to the continued expansion of imports of goods other than machinery and equipment — mainly raw materials. The share of machinery and equipment in total imports thus fell from over 40 per cent in 1953 to about 20 per cent in 1956 and 15 per cent in 1957. Rising engineering output in Rumania permitted some replacement of imported equipment by domestic production; but state investment in machinery and equipment nevertheless levelled off after 1953. The expansion of the engineering industry during the 1950s outstripped the rate of growth of output of metals and was, moreover, concentrated on very metal-intensive products such as oil-drilling equipment, ships, railway rolling stock, cement works and some lorries and tractors. Needs for imports of iron ore, coke and rolled steel have therefore risen; and in 1956 Rumania was dependent on imports for over 40 per cent of all iron ore processed in the country, about two-thirds of all coke used and 46 per cent of rolled steel.[39] The following figures illustrate these developments (index numbers, 1950=100):

	1953	*1954*	*1955*	*1956*	*1957*
Volume of state investment in machinery and equipment	217	186	211	209	216
Volume of imports of machinery and equipment	161	102	110	99	82
Gross output of engineering	229	230	283	352	414
Gross output of ferrous metals	147	130	151	159	175
Gross output of non-ferrous metals	161	146	146	169	192

Source: Statistical yearbook.

Another sector of increasing import dependence, and rising imports, is the textiles industry. Raw cotton growing was reduced after 1953, as the result of unfortunate experience of unstable yields and persistently high costs; and imports now account for some 85-90 per cent of the raw cotton consumed, as compared with about 55 per cent in 1953 (a year of peak domestic production and of low consumption).

Albania

Albania and Rumania are the two countries providing the most exiguous data on foreign trade. However, it is clear that trade is conducted almost exclusively with other countries of the "eastern" trade area, and particularly the Soviet Union. In composition it is typical of a country at an early stage of industrialization. Mining products provide 60 per cent of all exports, agricultural produce 20 per cent, semi-manufactured and manufactured products the remainder. Imports are mainly equipment and some foodstuffs, though self-sufficiency in grain and sugar is the aim of the current Five-year Plan. Virtually all equipment needed for domestic investment is imported and Albania appears to have been and to remain a continuing importer of capital from other countries of the area. Loans already negotiated from the Soviet Union and mainland China for the period of the 1961-1965 Plan amount to 355 million roubles ($90 million).

[37] *Probleme Economice*, No. 4, 1958, p. 22.

[38] This was the percentage of sawn timber exported in 1955-1956, when sawn timber accounted for 55 per cent of the value of all exports of timber and timber products.

[39] *Probleme Economice*, No. 12, 1957.

The Soviet Union

The Soviet Union shares with the United States the characteristic of a lower "minimum", and actual dependence on international trade, than that of any other country. The factor endowments of the Soviet Union are capable of producing virtually all essential commodities; and the share of international trade in its national income is already so small [40] as to render relatively unimportant — from the point of view of the Soviet economy alone — the principles on which it plans and conducts its foreign trade.

The Soviet Union is thus in a very different position from that of the countries of eastern Europe. In the latter countries the manifestly high costs of the autarkic tendencies of their post-war trade policies have induced a lively concern, expressed with increasing force and frequency in the economic discussions of the last four or five years, both with the methods of assessing relative costs of producing or importing particular commodities in their economies, and with the question of the weight to be given to such considerations in the formation of production and trade plans. In the Soviet Union, by contrast, there has been a remarkable absence from the economic literature of the last twenty years of any discussion of the economic principles that should guide Soviet policies in this field.[41]

Soviet trade policies have undoubtedly been influenced by obstacles to Soviet exports or purchases, by payments difficulties — particularly in relations with the highly industrialized countries of western Europe and North America — as well as by calculations of economic advantage and by strategic considerations. Such factors must, for example, have induced the intense effort in geological prospecting which has raised production of diamonds to a level at which imports could be eliminated; and heavy investment in development has changed the Soviet Union from a pre-war importer to a current net exporter of copper, aluminium, zinc and lead. In 1958 there was also a net export of tin, whereas there had still been annual net imports up to 1957. However, there has also been a spontaneous tendency to develop import-saving production on a scale, and in sectors, where neither strategy, payments difficulties nor relative cost advantage dictated the full degree of self-sufficiency actually achieved. The need for imports of some tropical and semi-tropical produce (cotton, rice, citrus fruits and tea) has been limited by promoting, at the margin, high-cost domestic production in the warmer regions of the country.[42] The import bill has also been restricted by holding consumption of some other goods for which production is physically impossible (such as coffee and cocoa) at an insignificant level.

The fact that an autarkic trade policy can be followed at relatively little cost by a country already at a fairly advanced stage of industrial development and of vast size and diverse resources does not, of course, mean that the foreign trade of such a country will necessarily be slow to expand with rising national product. Even on the hypothesis that maximum self-sufficiency were the aim, foreign trade would have a continuing, though essentially short-term, "lubricating" function to perform, by widening the bottlenecks caused by temporary disproportions in the pattern of domestic economic development. These are bound to arise — quite apart from any failures of planning — from the fact that continuously balanced autarkic growth requires as a necessary condition that increments of capital in all branches of activity may be infinitely small and that there are no returns to scale. Since neither condition prevails in practice, trade must, in the short term, substitute for investment — including investment in education and research.

In the Soviet Union, successive waves of imports of equipment in the past have represented, at least in part, short-term substitution of investment by imports — for example, steel and motor-vehicle equipment (incidentally incorporating "know-how") before the war, machine tools and electrical equipment in the 1950s and, most recently, chemical plant. However, there is no reason to suppose that considerations of economic advantage did not enter at all into trade decisions. In 1956, for example, the fact that the ratios of the import prices of wool and sulphur to the Soviet wholesale prices were near to the official foreign exchange parity, and well below the average ratio for all foreign traded goods, may have stimulated imports. So far as exports are concerned, the expansion of sales of manganese ore

[40] No official estimate has been published, but the share can hardly be greater than 3 per cent. The annual per capita foreign trade turnover of the Soviet Union in 1958 was $42 as compared with $175 in the United States, and $213 in Czechoslovakia.

[41] The sole publication known to the secretariat which purports to deal with the economics of foreign trade in the Soviet Union is P. A. Chervyakov: *Organisatsiya i tekhnika vneshnoi torgovli SSSR*, Moscow, 1958; but, in fact, the discussion hardly touches on economic issues as distinct from questions of trade organization and buying and selling techniques. In the course of a speech to the XXI Party Congress, Academician K. Ostrovityanov advocated, *inter alia*, a move away from the use of world prices as a basis for exchanges among the socialist countries to a pricing system in intra-area trade based on costs within the area; but he left entirely out of his list of "the main tasks of economists" any consideration of the economic principles that should thereafter determine foreign trade policies (see *Pravda*, 6 February 1959). The significance of his main suggestion is discussed further in section 3 below.

[42] For example, the ratio of average prices per kilogramme of cotton fibre to steel in the Soviet Union in 1954-1956 was 16.7 as compared with 6.0 in the United States, though there was reason to believe that on the basis of average real production costs this ratio was somewhat unfavourable to cotton (see *Economic Bulletin for Europe*, Vol. 9, No. 3, p. 70).

APPENDIX A
SUPPLEMENTARY STATISTICS

NOTE. — Bracketed series indicate differences in coverage.

TABLE I

Production and foreign trade of industrial products in Bulgaria, 1950-1958 and the Plans for 1959, 1962 and 1965

P = production, I = imports, E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 Plan	1962 as planned in 1958	1962 as planned in 1959	1965 Plan
Industrial equipment															
Hydro turbines	P	MW	—	—	—	—	3.1	—	2.7	0.2	..	..	..	..	..
Generators	P		—	—	0.6	1.1	3.8	9.9	1.3	—	..	..	..	..	..
Electric motors	P		65	79	125	120	146	114	105	198	..	..	.. [a]	.. [a]	..
Transformers	P	KVA	160	78	303	399	422	587	427	637	..	..	..	..	..
Diesel motors	P	Thousand h.p.	—	2.2	5.8	4.0	7.9	4.6	7.3	8.8	..	..	..	..	..
All power and electro-technical equipment	I	Million leva [y]	..	..	(22)	(51)	(85)	(94)	(116)	(86)	..	..	..	..	..
	E		..	..	(—)	(1)	(—)	(1)	(13)	(33)	..	..	..	..	..
Metal-cutting machine tools	P	Thousand	0.9	0.5	0.6	0.9	1.2	1.4	1.1	1.7	..	..	..	..	..
	I	Million leva [y]	..	..	(6)	(8)	(10)	(7)	(7)	(7)	..	..	.. [b]	..	..
	E		..	..	(1)	(8)	(3)	(—)	(1)	(1)	..	..		..	..
Non-cutting machine tools	I		..	..	(2)	(2)	(2)	1	6	3	..	..	..	..	..
Mining, oil drilling and oil refinery equipment	I		..	..	39	27	17	19	20	7	..	..	..	..	..
Equipment for chemical, wood-processing, food and construction industry	I		..	..	75	56	76	60	54	47	..	..	..	..	..
Equipment for complete enterprises	I		..	..	101	85	45	64	46	67	..	..	..	..	..
Transport equipment															
Electric locomotives (narrow gauge)	P	Unit	3	4	4	8	22	16	20	48	..	..	..	..	..
Diesel locomotives (narrow gauge)	P		—	—	5	5	7	7	3	35	..	..	..	..	..
Goods wagons	P	Thousand	—	0.06	0.20	0.61	0.57	0.99	0.45	1.15	1.30	2.18	1.87	..	..
Passenger coaches	P		—	—	0.01	0.01	0.02	0.01	0.05	0.01	..	..	..	..	..
Railway rolling stock	E	Million leva [y]	..	..	—	—	—	—	(4)	(61)	..	..	..	..	..
Ships	P	Thousand tons	12.5	8.9	11.7	7.9	10.2	16.2	19.8	14.6	..	..	..	..	..
Ships and harbour equipment	I	Million leva [y]	..	..	—	—	—	—	(19)	(24) [c]	..	..	..	..	..
	E		..	..	(24)	(13)	(27)	(37)	(44)	(39)	..	..	..	..	..
Motor buses	I	Thousand	..	..	..	..	..	0.2	..	..	..	..	..	..	..
Motor-cars	I		..	..	0.1	..	..	0.3	0.6	..	..	..	..	..	..
Motor transport and garage equipment	I	Million leva [y]	..	..	(35)	(77)	(52)	(76)	(71)	(121)	..	..	..	..	..
Agricultural machinery															
All agricultural machinery	P	Million leva	..	..	78	77	93	99	129	..	..	..	..	..	..
	I [d]	Million leva [y]	..	..	(52)	(57)	(65)	(76)	(136)	(69)	..	..	..	..	..
	E		..	..	—	—	—	(2)	(8)	(36)	..	..	..	..	..
Tractors	I	Thousand	0.3	1.3	0.9	1.5	1.9	2.1	5.1	1.7	..	..	..	..	..
Fuels and electric power															
Coal and lignite	PA [e]	Million tons	3.04	3.30	3.82	4.31	4.61	5.17	5.59	6.17	6.60*	7.8*	9.8*	12.4*	19.4-24.4*
	PB [f]		5.93	6.41	7.41	8.35	8.93	10.05	10.82	11.89	12.73	15.0	19.0	23.8	35.4-47.6
Brown coal	E		..	..	0.10	..	..	—	0.19	..	..	..	..	..	..
Coke	P		0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	..	..	..	..	0.70 [g]
	I		..	..	0.03	0.03	0.05	0.06	0.04	0.16	..	..	0.60*	..	..
Crude petroleum	P		—	—	—	—	0.01	0.15	0.25	0.29	..	..	..	..	..
	E		—	—	—	—	—	0.12	0.19	0.20	..	..	..	..	..
Petroleum products	P		..	0.01	0.01	0.01	0.01	0.03	0.06	0.07	..	..	..	..	..
Petroleum and petroleum products	I		..	..	0.30	0.33	0.34	0.37	0.45	0.57	..	..	0.86	..	..
Electric power	P	Million MWh	0.80	1.02	1.35	1.56	1.73	2.07	2.39	2.66	3.02	3.72	5.00	6.0-7.0	10.0
	I		..	..	..	..	..	0.03	0.03	..	..	..	..	..	..
Ores, minerals, metals															
Iron ore	PA [h]	Million tons	0.03	0.04	0.05	0.07	0.07	0.07	0.11	0.13	..	..	..	..	..
	PB [f]		0.05	0.08	0.10	0.12	0.12	0.11	0.24	0.27	..	..	..	..	..
	E		..	..	0.08	0.10	0.11	0.12	0.16	..	..	..	0.16*	..	..
Pig iron	P		—	0.01	0.01	0.01	0.01	0.01	0.01	0.05	0.08	0.12	0.20	0.23	0.70
	I		..	..	0.03	0.07	0.07	0.07	0.12	0.11	..	..	..	..	..
Crude steel	P		0.01	0.01	0.01	0.02	0.06	0.07	0.13	0.16	0.21	0.23	0.35	0.40	0.90
Rolled ferrous metals	P		0.01	0.01	0.01	0.01	0.03	0.07	0.10	0.12	0.14	0.15	0.27	0.32	0.70-0.80
	I		..	..	0.13	0.17	0.16	0.14	0.17	0.25	..	..	0.42	..	..
Copper	P	Thousand tons	0.12	0.76	1.64	2.2	2.8	3.8	4.6	5.1	..	..	12.0 [i]	17.0 [i]	25.0 [i]
	I		..	..	3.3	..	..	6.2	7.4	3.8 [c]	..	..	..	..	..
	E		..	..	..	..	..	3.3	4.5	3.9 [c]	..	..	..	..	..
Zinc	P		—	—	—	—	—	1.4	5.8	7.5	8.2	9.0	44.0	..	50.0
	I		..	..	2.5	..	..	2.7	0.3	0.2 [c]	..	..	..	..	..
	E		..	..	..	..	..	1.4	3.2	2.2 [c]	..	..	.. [j]	..	..
Lead	P		2.8	1.2	2.7	3.2	4.6	5.1	6.0	19.3	26.1	36.0	33.0	45.0	90.0
	E		..	..	1.3	..	..	3.1	3.0	..	..	..	.. [k]	..	..

TABLE I (*concluded*)

Production and foreign trade of industrial products in Bulgaria, 1950-1958 and the Plans for 1959, 1962 and 1965

P = production, I = imports, E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 Plan	1962 as planned in 1958	1962 as planned in 1959	1965 Plan
Chemicals, fertilizers, rubber															
Sulphuric acid	P	Thous. tons of monohydrate	—	8.0	12.1	14.1	14.9	19.0	28.6	40.4	64.0	..	290	..	..
	E				3.7	4.0	2.2	1.9	—	1.1	..	..	..	..	..
Caustic soda	PA	Thousand tons NaOH	0.13	0.14	0.14	0.14	0.17	2.43	10.7	12.4	14.2	..	..	..	..
	PB	Thousand tons	0.14	0.15	0.15	0.15	0.18	2.53	11.2	12.9	14.8	..	..	..	..
	I		..	..	4.27	5.20	5.00	2.13	—	—	..	..	..	..	..
	E		..	..	..	..	..	2.35	4.52	4.56 [c]	..	..	.. [l]	..	..
Soda ash	PA	Thousand tons Na_2CO_3	—	—	—	—	15.3	70.6	81.7	89.9	98.6	108.3	230.8	..	..
	PB	Thousand tons	—	—	—	—	16.1	74.3	86.0	94.6	103.8	114.0	243.0	..	..
	I		..	..	14.9	20.0	15.0	—	—	..	..	..	..	..	..
	E		—	—	—	—	8.4	34.7	31.2	..	..	..	.. [m]		
Nitrogenous fertilizers	PA	Thousand tons N	..	..	18.5	27.8	30.1	33.0	36.3	41	44	66	..	..	..
	PB	Thousand tons	—	—	54.9	82.2	88.4	94.1	103.4	123	133	200	330 [n]	.. [o]	.. [o]
	I				24.7	33.6	41.4	49.4	105.1	147	..	..	..	..	..
	E				10.6	32.3	34.2	20.2	11.4	..	..	..	..	..	..
Phosphorus fertilizers	P		—	—	—	—	—	—	—	17.0	74.0	137	560 [n]	.. [o]	.. [o]
	I		..	..	21.6	..	..	44.4	..	..	..	..	..	..	..
Coal-tar dyes	P		0.34	0.37	0.32	0.38	0.43	0.39	0.41	0.36	..	..	..	..	..
	I		..	..	0.49	0.55	0.69	0.57	0.45	..	..	..	..	..	..
Natural and synthetic rubber	I		..	..	5.0	5.1	5.0	3.5	5.7	9.2	..	..	23.2*	..	26.0
Artificial fibres [p]	P		—	—	—	—	—	—	—	—	—	—	—	—	26.0
	I		..	..	1.3	1.1	1.2	3.6	6.4	8.1	..	..	29.0*	..	..
Plastics	P		—	—	—	—	—	—	—	1.0	..	..	8.0	16.0	30-40
Processed food															
Meat	P		54	59	67	86	86	94	107	114	139	201	145	384	..
Processed meat and preserves	P		..	..	..	..	..	..	..	21.2	24.3	..	27.8	..	..
Meat and meat products	E		..	..	12.6	19.4	20.2	18.6	20.1	12.2	..	..	..	..	..
Melted lard	P		5.1	3.4	3.0	5.0	6.9	7.1	7.0	10.6	19.0	..	..	..	..
Butter	P		2.0	4.2	3.1	3.9	3.3	3.6	4.7	5.4	6.1	..	..	..	..
	E		—	—	—	—	—	—	0.6	..	..	..	..	..	..
Refined and raw sugar	P		37	79	54	84	78	63	107	117	149	183	211	348	..
	I		..	..	10	..	..	—	—	—	..	..	..	..	..
	E		..	..	3	..	..	2	2	..	..	..	..	..	..
Edible vegetable oil	P		29	42	52	50	54	49	55	53	74 [q]	..	90 [q]	200 [q]	..
	I		..	..	1	..	..	1	2	..	..	..	..	..	..
	E		..	..	4	..	..	10	7	..	..	..	..	..	..
Fabrics, leather and shoes															
Cotton fabrics	PA	Million sq.m.	69*	78*	88*	95*	99*	110*	118*	126*	141*	172*	..	..	..
	PB	Million metres	83	94	106	114	119	132	142	152	169	207	210	280-300	350-400
Woollen fabrics	P		8.9	8.2	9.2	10.4	10.0	10.7	12.7	13.3	14.2	17.0	18.0	25.0	30.0
Cotton, woollen and other fabrics including industrial cloth	I	Million leva [y]	..	..	(4)	(11)	(81)	(146)	(240)	(488)	..	..	..	..	..
	E		..	..	(4)	(11)	(81)	(158)	(259)	(488)	..	..	..	..	..
Sole and similar leather	P	Thousand tons	2.97	2.96	3.32	3.59	3.21	2.94	3.16	3.81	4.51	140	..	..	..
Leather shoes [r]	P	Million pairs	3.2	3.7	3.5	3.4	2.6	2.8	3.1	3.8	(6.4) [s]	(7.3) [s]	(8.4) [s]	(10.0-12.0) [s]	(13.0-15.0) [s]
	E		..	..	..	..	..	..	0.6	..	..	..	..	..	..
Rubber and other shoes [t]	P		0.4	0.5	1.0	1.2	1.7	1.2	1.7	..	..	..	..	..	..
Metal-made consumers' goods															
Radio sets	P	Thousand	8	9	11	22	47	66	92	109	131	140	170	..	..
	I		..	..	2	..	..	14	4	..	..	..	..	..	..
	E		..	..	—	—	—	—	1	..	..	..	..	..	..
Television sets	I		..	..	..	..	..	1.2	..	..	..	..	..	..	..
Domestic sewing machines	I		..	..	..	..	..	1.2	15.5	..	..	..	..	..	..
Bicycles	P		—	—	—	—	—	—	—	2	38	70	110.0	..	..
	I		..	..	18	..	..	57	80	..	..	..	..	..	..
Motor-cycles	P		—	—	—	—	—	—	—	—	2	6	20.0	..	..
	I		..	..	1.6	..	..	3.5	11.6	..	..	..	..	..	..

Sources: See "Notes to the statistics".

NOTE. — Production series (A) and (B) refer to the same output in different units of quantity in order to permit international comparisons on the one hand and comparisons with the national foreign trade statistics on the other.

In Tables I to VII imports and exports of sulphuric acid are expressed in thousand tons of commercial weight (92.5 per cent of H_2SO_4), except for exports from eastern Germany, which are in terms of SO_3.

[a] Planned increase of production by 107 per cent over 1957 (in terms of units from 104,000 to 215,000) according to the Plan of 1958; of exports from 81,000 units in 1957 to 175,000 in 1962 according to the Plan of 1959.

[b] Exports are planned to rise by about 500 per cent over 1957.

[c] January-September. [d] Including tractors. [e] Hard-coal equivalent.

[f] Ton for ton. [g] 1964. [h] Fe content.

[i] Planned production of electrolytic copper. Reported actual production is of black copper.

Planned expansion of exports by about 600 per cent over 1957.

[k] Planned expansion of exports is by about 400 per cent over 1957.

[l] Planned expansion of exports by 140 per cent over 1957.

[m] Planned expansion of exports by 370 per cent over 1957.

[n] In addition, 17.5 thousand tons of carbamide will be produced.

[o] Revised plan of all fertilizer production in terms of standardized ammonium sulphate for 1962 is 1.0 million tons and plan for 1965 — 1.75 million tons. Corresponding figure of nitrogenous fertilizer production for 1957: 191 thousand tons.

[p] Staple fibre, rayon and synthetic fibres.

[q] All vegetable oil. Corresponding figure for 1957 — 61 thousand tons.

[r] Including leather shoes with rubber soles.

[s] Including other shoes not of rubber. Corresponding figure for 1957 — 5.2 million pairs.

[t] Excluding overshoes and special light rubber footwear.

[y] Million leva expressed in foreign trade currency units.

TABLE II

Production and foreign trade of industrial products in Czechoslovakia, 1950 to 1958 and the Plans for 1959, 1960, 1965 and 1975

P = production, I = imports, E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 Plan	1960 as planned in 1956	1960 as planned in 1958	1965 Plan	1975 Plan
Industrial equipment																
Steam turbines	P	MW	246	540	646	562	668	911	784	606	863	..	..	..	..	..
Hydro turbines	P		35	63	188	6	236	93	198	68	101	..	..	..	..	..
Generators for steam, gas and hydro turbines	P		506	602	625	707	826	1179	808	816	..	..	..	..	..	..
Electrie motors for alternating current [a]	P	MW	(1327)	(1115)	(1529)	1247	972	1226	1465	1743	..	..	(2400)	..	..	..
Transformers above 25 KVA	P	MVA	1804	2750	3277	3784	2694	1779	2067	2077	..	..	..	..	..	..
Diesel engines including ship motors	PA	Thousand h.p.	393	414	468	462	705	797	705	674	818	..	1260	..	..	..
	PB	Thousand	..	..	..	7.64	9.41	10.47	15.89	16.30	18.99	..	..	..	..	..
	E		..	..	3.84	4.68	3.86	5.17	7.83	10.09	11.48	..	..	..	..	..
All power and elecrotechnical equipment	I	Million Kčs [y]	..	..	157	..	..	..	84	84	..	..	..	..	..	..
	E		..	..	219	..	..	235	208	289	..	..	..	..	..	..
Metal-cutting machine tools excluding automatictools	P	Thousand	12.7	11.4	10.7	14.0	14.4	18.2	18.5	21.8	22.1	..	(27.3) [b]	..	..	..
Automation equipment und semi-automatic lathes	P		0.25	0.25	0.44	0.62	0.40	0.28	0.48	0.85	1.01	..	1.35	..	..	..
Non-cutting machine tools	P		5.0	3.1	3.3	3.1	3.1	6.0	5.6	7.8	5.4	..	(6.8) [b]	..	..	..
All metal-working machine tools	E		6.1	5.4	4.8	5.4	3.8	5.5	7.9	8.5	10.6	..	..	..	..	..
	I	Million Kčs [y]	..	..	(88)	..	..	(35)	(60)	(112)	..	..	..	..	..	..
Metallurgical equipment	P	Thousand tons	20.3	31.7	36.1	39.1	44.2	37.3	29.5	37.4	..	..	..	..	..	..
Chemical equipment	P		..	..	31.5	..	..	29.1	26.0	26.5	41.0	53.7	75.0	62.0	159.0	..
	I	Million Kčs [y]	..	..	(11.6)	..	..	(7.5)	(23.5)	(28.5)	..	..	..	..	..	..
	E		..	..	(26.4)	..	..	(25.2)	(22.5)	(9.8)	..	..	..	..	..	..
Textile machinery	P	Million 1954 Kčs	79.7	104.2	117.0	44.1	34.4	50.4	76	100	..	..	242	..	..	..
	I	Million Kčs [y]	..	..	(18.5)	..	..	(11.9)	(25.6)	(62.7)	..	..	..	..	..	..
	E		..	..	(41.6)	..	..	(44.1)	(28.1)	(35.0)	..	..	..	..	..	..
Transport equipment																
Electric locomotives	P	Unit	10	21	39	24	11	29	40	23	152	..	270	..	..	..
Diesel locomotives	P		..	..	..	—	—	31	2	27		..	(870) [c]	..	..	..
Steam locomotives	P		221	203	210	97	82	115	73	106		..	..	..	..	..
Goods wagons	P	Thousand	2.1	4.1	4.6	6.1	5.7	5.6	5.9	5.5	5.4	..	6.9	..	15	..
	I	Million Kčs [y]	..	..	(48)	..	..	(6)	(20)	(123)	..	..	..	..	..	..
Passenger coaches	P	Thousand	0.4	0.3	0.3	0.3	0.1	0.1	0.4	0.5	0.3	..	..	..	..	..
Railway wagons and coaches	E		..	..	—	..	..	0.1	2.3	1.0	..	..	..	..	..	..
Motor ships	P	Unit	..	..	..	13	6	14	20	24	..	..	..	..	..	..
	E		..	..	—	..	..	14	16	20	..	..	..	..	..	..
Motor trucks	P	Thousand	6.0	11.5	10.1	11.4	12.9	10.5	11.0	10.3	14.0 [cc]	..	15.8	..	16.9	..
	I		..	..	0.15	..	..	0.05	0.7	3.6	..	..	..	..	..	..
	E		2.9	2.5	1.6	4.6	2.7	2.5	2.5	2.6	4.8	..	..	..	..	..
Motor buses	P		1.0	1.0	0.5	0.6	1.1	1.1	1.2	1.3	1.1	..	..	..	..	..
	E		..	..	0.3	..	..	0.2	0.3	0.5	..	..	..	..	..	..
Motor-cars	P		24.5	17.1	6.3	7.3	5.4	12.5	25.1	34.6	43.4	50.4	55	55	75	..
	I		..	..	—	0.01	0.12	1.5	5.8	10.6	9.5	..	..	..	..	..
	E		19.4	13.5	6.8	6.2	4.8	9.4	14.7	15.9	25.0	..	..	..	..	..
Agricultural machinery																
Agricultural machinery	P	Million 1954 Kčs	167	165	127	118	290	540	704	749	..	..	970	1033	1273	..
Tractors	P	Thousand	10.5	9.5	6.7	6.5	8.3	12.6	18.0	21.2	24.6	28.8	28.3	29.0	..	..
	I		..	..	0.9	..	..	2.3	1.2	1.8	..	..	..	..	..	..
	E		6.1	6.7	5.6	5.9	5.0	8.9	10.5	14.4	15.2	..	..	..	..	..
Fuels and electric power																
Coal [d]	PA [e]	Million tons	29.9	31.2	34.7	35.1	38.4	39.5	43.2	45.8	50.1	52.0	54.5	56.5	70.4	..
	PB [f]		46.0	48.6	53.4	54.7	59.5	62.9	69.7	75.2	82.6	85.8	89.3	93.8	116.8	..
	I [f]		4.4	..	4.3	5.1	4.7	4.5	4.1	2.7	2.6 [dd]	..	..	..	..	..
	E [f]		2.2	..	1.3	1.3	1.4	1.7	1.8	2.3	2.8	..	..	..	..	..

See notes at end of table.

TABLE II (*continued*)

Production and foreign trade of industrial products in Czechoslovakia, 1950 to 1958 and the Plans for 1959, 1960, 1965 and 1975

P = production, I = imports, E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 Plan	1960 as planned in 1956	1960 as planned in 1958	1965 Plan	1975 Plan
Fuels and electric power *(continued)*																
Hard-coal coke	P	Million tons	5.40	5.47	6.14	6.50	6.79	7.00	7.33	7.48	7.37	..	8.6	8.2	10.7	..
Coke	E		1.25	0.99	1.45	1.26	1.13	1.20	1.26	1.16	1.05	..	..	..	..	..
Natural gas	P	Billion cu.m.	0.02	0.05	0.12	0.17	0.17	0.17	0.27	0.77	1.3	..	..	..	..	..
Crude petroleum	P	Million tons	0.06	0.07	0.11	0.12	0.13	0.11	0.11	0.11	..	..	..	..	..	..
Petroleum products *g*	P		..	..	..	0.72	0.79	0.85	0.97	1.16	..	..	..	..	..	..
Petroleum and petroleum products	I		0.39	0.56	0.65	0.61	0.94	1.06	1.18	1.61	1.65	..	..	..	..	..
	E		..	..	0.06	..	..	0.02	0.09	0.10	..	..	..	..	..	..
Electric power	P	Million MWh	9.28	10.30	11.63	12.36	13.61	15.01	16.59	17.72	19.62	22.0	25.3	24.2	38.0	..
	I		..	..	0.13	0.19	0.17	0.13	0.05	0.05	..	..	..	..	..	..
	E		..	..	—	0.21	0.29	0.26	0.34	0.28	..	..	..	..	..	..
Ores, minerals, metals																
Iron ore	PA *h*	Million tons	0.54	0.60	0.71	0.77	0.74	0.85	0.86	0.96	0.95	1.06	1.23	..	..	..
	PB *f*		1.60	1.76	2.10	2.25	2.19	2.49	2.54	2.81	2.80	3.00	3.63	..	..	..
	I *f*		2.11	2.56	2.99	3.04	3.71	3.93	3.90	4.92	5.16	..	..	..	..	..
Pig iron	P		1.95	2.06	2.31	2.78	2.79	2.98	3.28	3.56	3.77	4.28	4.78	4.70	..	..
	I		..	..	0.15	..	..	0.16	0.20	0.24	..	..	..	..	..	..
	E		..	..	—	..	..	—	0.03	0.01	..	..	..	..	..	..
Crude steel	P		3.12	3.45	3.75	4.37	4.27	4.47	4.88	5.17	5.51	6.09	6.54	6.76	9.2-9.7	..
Rolled ferrous metals *hh*	P		2.14	2.26	2.43	2.73	2.75	2.99	3.28	3.49	3.76	4.09	4.38	4.60	..	..
	I		..	..	0.03	0.03	..	0.04	0.15	0.30	..	..	..	..	..	..
	E		..	..	0.47	0.45	0.47	0.78	0.72	0.61	0.70	..	..	..	..	..
Aluminium	P	Thousand tons	—	—	—	2.7	15.4	24.4	21.2	16.7	26.4	42.6	56.0	..	..	..
Copper	I		7.8	..	..	13.0	..	..	26.6	..	..	..	..	..	..	..
All non-ferrous metals and alloys	I		56.7	..	62.7	..	..	85.2	102.4	110.5	..	..	..	..	..	..
Chemicals, fertilizers, rubber																
Sulphuric acid	P	Thousand tons H_2SO_4	252	258	278	311	341	383	422	445	463	..	560	..	..	..
	I		..	..	..	6	9	23	16	13	..	..	..	..	..	..
Caustic soda	P	Thousand tons NaOH	49	53	62	61	70	82	86	88	93	..	..	..	..	..
	I		..	..	—	..	..	1	1	3	..	..	..	..	..	..
	E		..	..	5	..	..	10	9	8	..	..	..	..	..	..
Soda ash	PA	Thous. t. Na_2CO_3	82	68	83	80	81	89	93	91	..	..	..	..	..	..
	PB *f*	Thousand tons	86	72	84	85	85	94	98	96	..	..	..	..	..	..
	I *f*		..	..	27	23	25	35	52	54	..	..	..	..	..	..
Nitrogenous fertilizer	P	Thousand tons N	35	36	35	35	39	60	64	74	108	137	141	143	267	..
	I		..	..	16	16	33	30	32	17	13	..	..	..	..	..
Phosphorus fertilizer	P	Thousand tons P_2O_5	61	57	61	70	84	98	107	110	117	130	157	144	356	..
	I		44	51	51	51	91	100	92	96	122	..	..	..	..	..
Potash fertilizer	I	Thous. t. K_2CO_3	..	..	—	125	139	158	168	187	217	..	..	..	..	..
Polyvinyl chloride	P	Thousand tons	..	0.36	1.91	2.32	2.64	2.97	3.39	3.96	4.79	..	9.0	..	..	..
Coal-tar dyes	P		..	..	..	3.0	3.3	3.9	4.3	3.9	..	..	..	..	..	..
	I		..	..	0.8	0.9	1.3	1.1	1.4	1.4	..	..	..	..	..	..
	E		..	..	0.5	..	..	0.9	1.0	1.2	..	..	..	..	..	..
Natural and synthetic rubber	I		..	..	33	39	36	43	52	53	(49) *i*	..	..	..	..	..
Artificial fibres *ii*	P		..	..	..	36.5	37.5	48.9	49.3	47.7	55.0	57.8	67.0	65.3	92.5	..
Plastics	P		..	..	..	..	..	..	..	30	..	..	..	..	121	..
Processed food																
Raw meat *j*	P		272	299	337	335	312	345	385	413	415	..	458	461	541	805
Meat and meat products	P		421	438	479	486	454	494	540	591	601	..	..	..	..	..
	I		37	41	23	35	79	77	55	54	92	..	..	..	..	..
	E		..	..	—	..	..	1	8	5	..	..	..	..	..	..
Lard	P		32.3	29.5	41.8	42.9	50.7	48.8	56.6	55.6	59.0	..	..	..	..	..
	I		..	..	..	5.3	..	..	..	—	..	..	..	..	..	..

See notes at end of table.

TABLE II (*concluded*)

Production and foreign trade of industrial products in Czechoslovakia, 1950 to 1958 and the Plans for 1959, 1960, 1965 and 1975

P = production, I = imports, E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 Plan	1960 as planned in 1956	1960 as planned in 1958	1965 Plan	1975 Plan
Processed food *(continued)*																
Edible vegetable oil	P	Thousand tons	63	73	75	87	93	91	100	97	102	..	116	106	116	135
Animal and vegetable fats [k]	I		..	..	..	97	100	90	90	120	..	..	..	..	..	..
Butter	P		34	37	39	35	37	43	49	52	58	..	70	65	..	..
	I		..	..	14	15	17	18	6	11	..	..	..	..	..	..
Refined sugar	P		701	771	609	657	711	659	593	792	856	..	992	983	1164	..
	E		..	..	342	298	..	243	143	208	360	..	..	..	453	900
Fabrics, leather and shoes																
Cotton fabrics	PA	Million sq. m.	333*	354*	352*	323*	322*	333*	342*	362*	394*	..	..	..	..	..
	PB	Million metres	356	379	377	346	344	356	365	386	420	..	439	434	..	..
	E		..	..	..	54	81	82	124	127	116	..	..	..	..	..
Woollen fabrics	P	Million metres	48.2	46.6	48.1	39.8	35.0	39.5	36.8	38.2	42.6	..	47.2	47.3	..	..
	E					2.6	2.0	2.1	4.6	5.3	..	..	..	..	..	..
Sole and similar leather [l]	P	Thousand tons	..	..	..	11	11	11	11	12	..	..	..	..	..	..
	I		..	..	..	14	12	18	18	22	36	..	..	..	..	..
Leather shoes	P	Million pairs	29.7	25.8	23.8	23.3	22.9	22.6	21.8	28.1	34.3	..	(76.1)[m]	38.6	(94.0)[m]	(150)[m]
	E		..	..	..	2.1	2.8	2.8	12.1	10.5	14.0	..	..	..	..	..
Rubber shoes	P		27.8	24.5	23.5	25.7	27.5	29.7	30.5	32.1	33.8	..	(76.1)[m]	(49.1)[mm]	(94.0)[m]	(150)[m]
	E		..	..	..	8.7	9.4	10.0	13.9	13.2	13.9	..	..	..	..	..
Other shoes	P		..	..	..	8.0	9.1	10.5	10.2	10.4	..	..	(76.1)[m]	(49.1)[mm]	(94.0)[m]	(150)[m]
Metal-made consumers' goods																
Radio sets	P	Thousand	293	288	208	182	110	102	221	255	303	..	..	260	322	..
	I	Million Kčs [y]	..	..	(4)	..	..	(8)	(1)	(3)	..	..	..	..	..	..
	E		..	..	(—)	..	..	(5)	(8)	(5)	..	..	..	..	..	..
Television sets	P	Thousand	—	—	—	12.3	15.0	17.3	40.1	79.1	133.5	183.5	220	235	320	..
	I		..	..	..	—	—	—	14.2	78.7	51.8	..	..	..	..	..
Domestic sewing machines	P		..	..	..	67	49	78	65	85	109	..	110	..	..	..
	E		..	..	18	..	..	16	16	34	..	..	..	..	..	..
Domestic refrigerators	P		11.6	8.5	5.0	7.7	18.8	30.6	58.1	66.1	79.9	100.0	130.0	118.5	151.0	..
Bicycles	P		217	216	257	259	231	294	346	331	305	..	..	..	..	..
	E		..	..	62	84	147	111	113	153	170	..	..	..	..	..
Motor-cycles	P		65	70	52	46	56	96	112	138	147	..	.. [n]	..	..	..
	E		22	29	25	33	29	32	51	80	109	..	..	..	..	..

Sources : See " Notes to the statistics ".

NOTE. — Production series (A) and (B) refer to the same output in different units of quantity in order to permit international comparisons on the one hand and comparisons with the national foreign trade statistics on the other.

[a] Output in 1950 to 1952 excludes electric motors for cranes of which 90 MW were produced in 1953. The plan for 1960 as stated in 1956 includes motors for direct current, of which an estimated quantity of about 60 MW was produced in 1955.

[b] The comparable figures in 1955 read 15.7 thousand for metal-cutting machine tools and 5.0 thousand for non-cutting machine tools.

[c] The comparable figure for 1955 reads 218 which includes narrow-gauge and mining locomotives.

[cc] Including separate chassis. Comparative figure for 1957—12.5 thousand.

[d] For details of imports and exports by type of coal see the SURVEY for 1957, Table VI-B, p. 37 (corrected figure for hard coal imports in 1953: 4,785 thousand tons).

[dd] Only hard coal.

[e] Hard coal equivalent.

[f] Ton for ton.

[g] Total of petrol, motor oil, gas oil and light petrol.

[h] Fe content.

[hh] Tubes are excluded from production but included in trade.

[i] Only natural rubber.

[ii] Staple fibre, rayon and synthetic fibres.

[j] Excluding poultry and horse meat from production.

[k] In terms of fat content, excluding butter.

[l] Imports of tanned ox-hide only.

[m] Combined total planned for leather, rubber and other shoes.

[mm] Combined total planned for rubber and other shoes.

[n] For motor cycles, scooters and power-assisted bicycles together, production was planned to increase from 102 thousand in 1955 to 325 thousand in 1960.

[y] Million Kčs expressed in foreign trade currency units.

TABLE III

Production and foreign trade of industrial products in eastern Germany, 1950 to 1958 and the Plans for 1959, 1960, 1961 and 1965

P = production; I = imports; E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 Plan	1960 as planned in 1956	1960 as planned in 1958	1961 Plan	1965 Plan
Industrial equipment																
Steam turbines [a]	P	MW	..	..	..	..	..	539	..	..	..	..	..	706	..	..
	E	Unit	..	..	..	(3)	..	(11)	(4)	(8)	..	..	..	..	..	..
Hydro-turbines [a]	E		..	..	..	—	..	—	5	5	..	..	..	..	..	..
Generators for steam gas and hydro turbines [a]	E	Thousand	..	..	..	0.25	..	0.58	3.32	..	..	..	..	..	..	..
Electric motors (alternating current) [a]	PA	MW	..	..	..	..	..	2155 [b]	..	..	..	..	4050 [b]	..	..	..
	PB	Thousand	116	110	89	117	171	205	226	263	..	..	..	.. [c]	..	..
	E		..	..	1.3	..	..	9.0	15.9	11.4	..	..	..	..	..	..
High-power transformers	PA	MVA	..	..	..	..	..	3045	..	..	..	..	5600	(6110) [d]	..	..
	PB	Thousand	3.94	4.74	5.59	5.49	5.84	6.24	10.47	8.86	..	..	..	..	..	..
	E		..	..	0.65	0.30	0.39	0.79	6.42	4.00	..	..	..	..	..	..
Stationary diesel engines and ship motors [e]	PA	Thousand h.p.	105	199	357	695	630	645	771	704	..	..	..	..	..	..
	PB	Thousand	0.94	2.38	4.75	7.02	7.58	7.80	9.57	9.05	..	..	..	..	..	..
	I		..	..	..	—	..	0.05	0.04	..	..	..	..	..	..	..
	E		..	..	0.30	1.36	1.80	2.44	2.17	2.85	..	..	..	..	..	..
Metal-cutting machine tools, excluding automatic tools [f g]	PA	Thousand tons	21.2	..	..	..	..	29.0	36.5	42.8	46.1	..	54	..	..	..
	PB	Thousand	12.6	13.5	10.2	11.0	12.1	14.5	16.8	16.0	..	..	..	..	..	..
	E		..	2.70	2.73	3.45	4.30	3.00	4.91	4.07	..	..	..	..	..	..
Non-cutting machine tools, excluding automatic tools [g]	PA	Thousand tons	12.6	..	..	..	..	39.0	45.8	47.06	54.1	..	77	..	..	..
	PB	Thousand	4.1	4.4	4.5	5.4	6.5	8.6	9.0	9.3	..	..	..	..	..	..
	E		..	0.53	0.35	0.80	1.04	1.57	3.17	2.61	.	..	..	..	..	..
Automatic lathes	P		0.15	0.12	0.14	0.13	0.24	0.27	0.28	0.42	..	..	.. [h]	..	.. [i]	.. [i]
	E		..	0.02	0.03	0.05	0.17	0.10	0.15	0.15	..	..	..	..	..	..
Rolling mill equipment [j]	P	Thousand tons	17	16	33	33	23	24	28	22	14	..	60	..	..	..
	E		..	..	..	—	16	27	27	24	..	..	..	..	..	..
Chemical equipment	P	Million DM [k]	171	188	298	358	329	298	292	339	417	494	..	..	..	.. [kk]
	I	Million foreign	..	..	..	—	..	(4)	(2)	(6)	..	..	..	..	..	..
	E	trade roubles	..	..	..	(116)	..	(79)	(51)	(73)	..	..	..	..	..	..
Textile spinning machines	P	Thousand	0.24	0.31	0.38	0.36	0.44	0.30	0.37	0.29	..	..	..	..	..	..
	E		..	..	..	..	..	..	..	..	..	..	..	..	..	..
Textile looms	P		2.10	1.74	1.70	1.66	3.56	4.63	6.24	6.67	..	..	..	..	..	..
	E		..	..	..	..	1.72	2.70	4.12	2.65	..	..	..	..	..	..
Knitting machines	P		5.12	5.37	3.61	4.39	5.79	5.32	7.70	7.24	..	..	..	..	..	..
	E		..	..	..	..	4.76	4.80	6.01	7.09	..	..	..	..	..	..
Transport equipment																
Electric locomotives	P	Unit	71	170	107	213	373	212	234	347	..	..	130 [l]	..	..	..
	E		—	..	49	40	277	179	119	154	..	..	..	..	..	..
Diesel locomotives	P		113	382	237	206	328	328	319	347	..	..	130 [l]	..	..	..
	I		..	..	..	..	..	..	..	28	..	..	..	..	..	..
	E		..	..	..	129	..	41	62	27	..	..	..	..	..	..
Steam locomotives	P		320	236	27	105	87	109	136	130	..	..	..	..	..	..
	E		—	..	20	38	45	15	43	6	..	..	..	..	..	..
Goods wagons	P	Thousand	6.4	6.8	5.7	3.2	3.2	4.0	4.1	3.3	..	..	9.0	.. [m]	..	..
	E		..	..	0.2	0.2	1.2	1.7	1.6	0.8 [n]	..	..	..	..	..	..
Passenger coaches	P		0.4	0.6	0.6	0.6	0.8	0.7	0.6	0.9	..	..	..	1.25	..	..
	E		—	—	—	—	0.6	0.6	0.6	0.8	..	..	..	..	..	..
Ships	P	Thousand GRT	..	..	..	..	..	65 [o]	..	..	..	..	250	..	..	..
	I	Million foreign	..	..	..	(0.7)	..	(0.1)	(0.2)	—	..	..	..	..	..	..
	E	trade roubles	..	..	..	(21)	..	(339)	(401)	(323)	..	..	..	..	..	..
Motor trucks	P	Thousand	1.0	5.1	6.7	11.1	12.2	14.2	17.2	15.5	..	..	..	..	..	..
	I		—	—	—	0.1	—	—	0.1	0.3	..	..	..	..	..	..
	E		..	..	1.3	3.9	5.4	5.4	3.7	5.8	..	..	..	..	..	..
Motor buses	I		..	..	..	0.36	..	0.35	0.15	0.58	..	..	..	..	..	..
Motor-cars	P		7.2	11.1	12.2	13.5	19.7	22.2	28.1	35.6	39.0	52.8	..	70.6	..	..
	I		..	..	0.2	—	0.1	0.4	1.3	1.4	..	..	..	..	68 [p]	..
	E		..	..	3.2	7.3	11.8	8.5	11.2	12.7	..	..	..	..		..
Agricultural machinery																
Tractors, including road tractors	P	Thousand	5.17	5.95	5.81	7.49	8.75	7.79	6.95	3.88	..	..	..	..	..	..
	E		—	—	—	0.11	1.78	1.13	1.44	0.51	..	..	..	..	..	..
Other agricultural machinery	P	Million DM [k]	86	110	115	156	257	368	383	301	376	..	..	..	..	..
Fuels and electric power																
Coal [q]	PA	[r] Million tons	43.9	48.6	50.3	54.5	57.2	62.8	64.5	66.5	67.4	71*	..	..	..	..
	IA	[r]	4.6	4.6	5.1	7.3	7.8	7.6	7.0	7.0	..	..	..	..	..	..
	EA	[r]	1.0	1.3	1.7	2.0	2.3	3.5	3.0	3.2	..	..	..	..	..	..
	PB	[s]	140	154	161	175	185	203	209	215	218	229	263	247	..	..
	IB	[s]	7.4	7.2	7.9	10.3	10.9	10.5	10.2	9.9	..	..	..	..	..	..
	EB	[s]	1.5	2.0	2.5	3.0	4.2	5.2	4.5	4.8	..	..	..	..	..	..

TABLE III (*continued*)

Production and foreign trade of industrial products in eastern Germany, 1950 to 1958 and the Plans for 1959, 1960, 1961 and 1965

P = production; I = imports; E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 Plan	1960 as planned in 1956	1960 as planned in 1958	1961 Plan	1965 Plan
Fuels and electric power *(continued)*																
Coke[t]	P	Million tons	1.53	1.72	2.01	2.57	3.00	3.17	3.53	3.60	..	..	..	..	..	..
	I		1.69	1.55	1.92	2.06	2.60	2.62	2.27	2.69	..	..	..	..	..	..
Natural gas	I	Billion cu.m.	0.02	0.04	0.03	0.03	0.06	0.09	0.10	0.13	..	..	..	..	..	..
Crude petroleum	I	Million tons	0.16	0.25	0.27	0.46	0.59	0.65	0.80	1.00	1.13	1.42	..	2.07	..	5.0
Synthetic oil and petroleum products	P		..	..	..	..	..	1.58	..	..	2.03	..	2.29	..	..	4.45
	E		0.25	0.18	0.18	0.26	0.43	0.46	0.36	0.43	..	..	..	..	..	..
Electric power	P	Million MWh	19.5	21.5	23.2	24.2	26.0	28.7	31.2	32.7	34.8	38.3	44.0	41.5	..	..
	I		0.02	..	0.05	0.19	0.45	0.21	0.13	0.03	..	..	..	..	..	..
	E		0.13	0.40	0.18	0.14	0.23	0.22	0.27	0.36	..	..	..	..	..	..
Ores, minerals, metals																
Iron ore	PA[u]	Million tons	0.12	0.15	0.23	0.41	0.44	0.50	0.53	0.44	0.44	..	..	..	..	..
	IA[u]		—	0.08	0.20	0.31	0.41	0.62	0.68	0.81	0.91	1.01	..	..	..	..
	PB[s]		0.40	0.49	0.77	1.36	1.47	1.66	1.76	1.48	1.47	..				
	IB[s]		—	0.15	0.40	0.62	0.81	1.24	1.36	1.62*	..	..	..	..	..	..
Pig iron	P		0.34	0.34	0.66	1.08	1.32	1.52	1.57	1.66	1.77	1.82	2.25	1.77	..	1.82
	I		..	0.27	0.27	0.21	0.24	0.29	0.34	0.44	0.56	0.66	..	..	..	1.64
	E		..	..	..	..	—	0.01	0.07	0.12	..	..	..	..	..	..
Crude steel	P		1.00	1.55	1.89	2.16	2.33	2.51	2.74	2.89	3.04	3.12	3.50	3.12	..	..
Rolled ferrous metals	P		0.73	1.11	1.33	1.51	1.71	1.91	2.04	2.15	2.30	2.43	2.6	2.6	..	3.5
	I		..	0.29	0.29	0.52	0.61	0.65	0.79	0.93	1.17	1.25	1.4	1.9	..	2.0
Copper	P	Thousand tons	..	..	..	..	..	20	20	21	22	..	..	24	..	..
	I		..	..	..	..	..	..	..	..	..	..	..	..	..	.. [y]
Zinc	I		..	..	..	10.6	..	18.3	21.0	23.2	28.4	32.3	..	..	..	46
Lead	I		..	..	..	15.0	..	20.1	22.1	32.3	..	..	..	..	..	..
Aluminium	P		..	..	..	..	..	26.0	..	..	..	..	65	..	..	..
	I		..	..	..	5.9	..	10.8	9.0	18.9	30.8	36.5	..	48.8	..	94.5
	E		..	..	..	—	..	—	3.3	0.4	..	..	..	..	..	..
Chemicals, fertilizers, rubber																
Sulphuric acid	P	Thous. tons SO_3	245	289	302	364	434	483	499	522	531	587	725	690	..	1060
	I		..	1.6	9.8	19.1	5.8	—	2.0	2.3	..	..	..	..	..	..
	E		—	—	—	—	36.0	31.8	3.0	1.8	..	..	..	..	..	..
Caustic soda	P	Thous. t. NaOH	150	184	209	221	228	257	275	277	296	313	350	310	..	440
	E		..	..	0.9	0.5	3.5	7.9	12.6	11.6	..	..	..	..	..	..
Soda ash	P	Thous. t. Na_2CO_3	103	122	191	297	372	458	501	531	553	578	730	623	..	730
	E		..	..	..	27	65	78	84	109	..	..	..	..	..	..
Nitrogenous fertilizer	P	Thous. tons N	231	252	257	265	277	293	300	305	322	..	335	328	..	362
	E		34.8	36.3	41.3	50.9	62.6	83.2	89.6	82.6	..	..	..	..	..	..
Phosphorus fertilizer	P	Thous. t. P_2O_5	24.7	33.5	38.1	72.3	79.2	84.6	111.7	128.8	136.4	..	200	169	..	250
	I		..	42.9	35.1	51.3	59.9	50.4	60.3	58.9	..	..	..	..	..	..
Potash fertilizer	P	Thous. t. K_2CO_3	16.0	21.7	19.8	15.5	13.2	15.0	15.7	16.2	..	..	..	..	..	..
	E		9.3	9.2	5.7	6.4	7.0	9.3	9.6	10.1	..	..	..	..	..	..
Polyvinyl chloride	P	Thousand tons	..	..	..	..	..	42.0	45.9	50.2	54.5	57.7	72.0	54.6	..	120
Coal-tar dyes	P		4.9	6.6	8.0	6.7	8.2	7.9	8.4	8.5	..	..	..	..	..	..
Synthetic rubber	P		39.8	50.3	57.3	64.1	67.7	72.2	73.4	75.4	83.8	..	100	82	..	113
Natural and synthetic rubber	I		2.0	1.9	2.3	3.7	5.7	9.5	9.7	16.5	17.0	..	..	..	..	28
	E		18.5	24.1	26.9	22.8	37.2	38.7	39.7	43.0	..	..	..	..	..	..
Artificial fibres[w]	P		87.8	98.2	105.8	114.2	120.4	122.5	125.3	137.1	..	..	134[x]	..	..	.. [x]
	I		..	..	..	0.5	..	1.2	0.9	0.9	..	..	..	..	..	..
	E		—	—	0.2	0.2	0.4	0.1	1.4	0.4	..	..	..	..	..	..
Polystyrol	P		1.0	0.7	1.2	1.8	1.9	2.0	2.6	3.3	3.7	..	..	..	..	20
	E		0.1	..	..	0.2	0.2	0.2	0.5	0.6	..	..	..	..	..	..
Processed food																
Raw meat	P	Thousand tons	99	195	378	441	464	496	527	562	587	..	701	656	..	..
Processed meat and preserves	P		47	92	144	210	206	204	225	223	..	..	..	..	..	..
Meat and meat products	I		75	62	45	54	102	89	96	114	..	..	..	..	..	..
	E		—	—	—	—	—	—	—	38	..	..	..	..	..	..
Melted lard and bacon	P		11	22	42	40	39	36	43	46	..	..	..	..	..	..
	I		9	..	3	15	7	20	23	13	..	..	..	..	..	..
Butter	P		61	85	97	96	109	123	120	128	138	..	163	125	..	..
	I		22	46	35	66	36	15	30	37[y]	..	..	..	..	..	..
Refined sugar	P		605	739	690	725	733	642	550	648	787	..	950	867	..	..
	I		—	—	—	—	—	—	—	81	..	..	..	..	..	..
	E		132	142	221	130	302	127	75	50	..	..	..	..	..	..

TABLE III (*concluded*)

Production and foreign trade of industrial products in eastern Germany, 1950 to 1958 and the Plans for 1959, 1960, 1961 and 1965

P = production; I = imports; E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 Plan	1960 as planned in 1956	1960 as planned in 1958	1961 Plan	1965 Plan
Processed food *(continued)*																
Edible vegetable oil . .	P	Thousand tons	89	162	200	215	273	351	373	354	..	..	366	401	..	..
	I		11	11	18	46	63	61	85	71 *z*	..	..	..	..	..	..
Fabrics, leather and shoes																
Cotton fabrics	P	Million sq.m.	74	122	153	169	197	201	208	205	218	354	395	370	424	..
Other cotton-type fabrics	P		80	71	58	63	63	66	75	90	103					
Cotton fabrics	I		..	..	..	5	34	39	21	18	33	..	..	..	..	..
	E		..	2	1	1	3	5	9	14	..	..	..	..	123	..
Woollen fabrics	P		15.0	23.6	22.8	28.3	42.7	32.3	26.6	28.7	34.5	46.4	58.8	45.0	50	..
Other woollen-type fabrics	P		78	88	90	88	82	79	80	77	..	..	..	..	..	..
Combed and carded staple fibre fabrics	E		..	0.8	1.3	1.5	3.2	5.7	11.0	17.2 *aa*	..	..	..	..	..	..
Sole and similar leather	P	Thousand tons	5.8	8.0	9.3	12.4	12.8	11.6	11.7	11.1	..	..	..	..	..	..
Leather shoes	P	Million pairs	8.0	10.9	14.1	17.6	19.4	17.6	17.2	17.6	19.8 *bb*	22.6	22.0	21.0	23.5 *pbb*	2.36
	I		—	—	0.4	0.9	1.3	1.0	0.5	0.8	..	..	..	..		
	E		—	—	—	—	0.2	0.1	—	0.8	..	..	..	..		..
Rubber and other shoes	P		24.3	27.8	27.8	26.9	25.2	23.1	19.8	21.3	20,2 *bb*	..	..	..	.. *bb*	..
Metal-made consumers' goods																
Radio sets	P	Thousand	227	548	626	728	856	725	653	664	..	..	..	..	..	..
	E		..	..	5	8	54	117	103	163	..	..	..	..	..	..
Television sets	P		..	..	33.0	38.3	40.6	38.6	55.4	108.8	180.0	284.3	350	270	400 *p*	..
	E		—	—	—	37.2	..	5.1	2.6	6.4	..	..	..	..		..
Domestic sewing machines	P		79	101	107	125	200	215	207	194	218	251	..	..	..	..
	E		..	..	..	..	99	73	104	109	..	..	..	..	..	..
Domestic refrigerators .	P		0.7	1.5	2.4	3.2	6.2	17.3	23.9	24.9	52.4	82.1	110	..	130 *p*	..
Bicycles	P		338	460	568	768	728	724	694	587	597	638	..	..	..	..
	I		—	—	7	12	5	18	2	—	..	..	..	..	..	..
	E		..	..	212	75	180	151	232	210	..	..	..	..	..	..
Motor-cycles *cc*	P		10	24	37	47	50	69	79	93	102	..	..	110	..	..
	I		—	—	1	3	4	15	28	29	..	..	..	..	..	..
	E		..	..	6	6	6	9	26	48	..	..	..	..	..	..

Sources: See "Notes to the statistics".

NOTE. — Production series (A) and (B) refer to the same output in different units of quantity in order to permit international comparison on the one hand and comparisons with the national foreign trade statistics on the other.

a Some information on imports in value terms (million roubles) reads as follows:

	1953	*1955*	*1956*	*1957*
Steam turbines	3.48	2.54	7.94	1.53
Hydro turbines	—	0.28	9.25	0.35
Generators	0.47	1.54	0.03	—
Electric motors	0.34	0.15	—	—

b Above 0.25 kW for all types of current.

c Plan for motors of 10-100 kW of alternating current: 35 thousand.

d All types of transformers, of which 3,200 MVA were produced in 1955.

e Including gas motors.

f Excluding small grinders and other small-type machinery.

g Some information on trade in value terms (million roubles) reads as follows:

	1953	*1955*	*1956*	*1957*	*1958*
Metal-cutting machine tools (including automation equipment):					
Imports	6.4	..	1.0	39.2	..
Exports	153.7	89.9	140.8	155.6	198.7
Non-cutting machine tools (including automation equipment):					
Imports	0.2	..	3.2	10.1	..
Exports	14.7	86.1	114.4	125.6	138.6

Exports of machine tools are planned to rise in 1960 by 112 per cent over those of 1955 according to the 1958 version of the Plan.

h Automatic tools 22 thousand tons of which 13.4 thousand tons of the metal-cutting type and 8.6 thousand tons of the non-cutting type.

i The combined output of automatic tools of the metal-cutting and non-cutting type in 1965 is to be five times the output of 1958 and of semi-automatic tools three times — resulting in the following changes in their share within the total by units of all machine tools (percentages):

	1958	*1961* Plan	*1965* Plan
Automatic tools	6.1	10.7	14.2
Semi-automatic tools	30.3	37.5	45.8

j For all metallurgical equipment the following information is available on trade in value terms (million roubles):

	1953	1955	1956	1957
Imports	7.9	0.5	1.5	4.1
Exports	54.2	136.1	151.5	167.0

k Plan prices of 1955.

kk Planned rise of 85 per cent over 1960.

l Main-line locomotives only.

m Cold-storage wagons: 0.5 thousand.

n Imports: 0.5 thousand

o Average for 1951-1955.

p Consumption (production *plus* imports *minus* exports).

q Including brown-coal briquettes in exports (but not in production). For details of imports and exports by type of product, see the SURVEY for 1947, Table VI-B, p. 37.

r Hard coal equivalent.

s Ton for ton.

t Production of hard-coal coke and coking-quality brown-coal coke, imports of hard-coal coke. Exports of sulphurous quality brown-coal coke which did not surpass 0.1 million tons except in 1950 (0.16 million tons) are not shown.

u Fe content.

v Planned to rise by 200 per cent over 1957.

w Production of staple fibre, rayon and synthetic fibres. Imports and exports only of rayon, which ton for ton had a share in production of 10.3 per cent in 1950, of 18.2 per cent in 1955 and of 16.8 per cent in 1957.

x Output of synthetic fibres is to rise from planned 15.7 thousand tons in 1960 to 72.2 thousand tons in 1965.

y Butter exports: 1 thousand tons.

z Margarine exports: 2 thousand tons.

aa Exports of woollen fabrics: 4.2 million square metres.

bb The combined total of production for all shoes is planned to rise from 40 million pairs in 1958 to 50 million pairs in 1961.

cc The following information is available concerning the combined total of the production of motor-cycles and power-assisted bicycles (thousands): 1955 - 88.2, 1956 - 181.6, 1957 - 223.4, 1958 - 254.4, 1960 (as planned in 1956) - 525, 1960 (as planned in 1958) - 270. Exports include power-assisted bicycles.

TABLE IV

Production and foreign trade of industrial products in Hungary, 1950 to 1958 and the Plans for 1959, 1960 and 1965

P = production, I = imports, E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 Plan	1960 as planned in 1956	1960 as planned in 1958	1965 Plan
Industrial equipment															
Steam turbines	P_A	MW	..	..	..	..	..	240	..	..	..	..	370	..	..
	P_B	Unit	355	378	477	531	515	133	209	..	..	..	..	..	..
	I		..	..	—	..	..	19	—	—	..	..	..	..	..
	E		..	..	—	..	..	13	8	—	..	..	..	..	..
Hydro turbines [a]	P	Million forints	..	..	..	..	..	10	..	..	..	..	50	..	..
	I	Million forints [y]	..	..	(—)	..	..	(27)	(60)	(52)	..	..	..	..	..
	E		..	..	(2)	..	..	(2)	(13)	(7)	..	..	..	..	..
Generators for steam, gas and hydro turbines	P	Unit	11	13	13	11	10	14	7	..	..	..	..	..	..
	I		..	..	—	..	..	4	—	—	..	..	..	..	..
	E		..	..	2	..	..	13	11	—	..	..	..	..	..
Transformers, over 10 MWA	P		9	16	24	21	5	8	6	..	..	..	..	..	..
Transformers, 2-10 MWA	P		33	40	67	85	71	37	22	..	..	..	..	..	..
Stationary diesel engines	P	Thousand h.p.	..	.	..	..	..	83	..	..	..	..	567	..	..
Lathes, drills, milling, grinding, planing machines	P	Thousand	3.45	4.56	5.81	8.74	6.76	5.28	6.20	(5.56) [b]	(5.06) [b]	..	11.1	..	..
	I		1.40	1.23	0.38	0.51	0.17	0.12	0.26	.. [c]	..	..	..	..	..
	E		0.73	0.77	1.59	2.20	1.97	2.27	2.08	(2.50) [b]	(2.48) [b]	..	..	..	..
Other machine tools [d]	I		..	..	0.40	..	..	0.12	0.32	.. [c]	..	..	..	..	..
	E		..	..	0.22	..	..	0.17	0.26	(0.43)	..	..	..	..	..
Metallurgical equipment	I	Million forints [y]	..	..	49	..	..	7	5	10	..	..	..	..	..
	E		..	..	2	..	..	58	1	1	..	..	..	..	..
Textile machinery	I		..	..	32	..	..	43	26	34	..	..	..	..	..
	E		..	..	3	..	..	2	1	1	..	..	..	..	..
Transport equipment															
Electric locomotives	P	Unit	1	4	1	1	4	4	8	..	..	..	15	..	..
Diesel locomotives and railcars	P		2 [e]	— [e]	6 [e]	— [e]	30 •	40 •	34	45 [f]	98 [f]	..	380	..	588 [g]
	I		..	..	10	..	..	—	—	10	..	..	..	..	..
	E		..	..	—	..	..	16	8	25	84 [f]	..	..	..	..
Diesel trains	P		9	9	10	11	6	2	2	—	..	..	18 [h]	5	..
	E		6	6	8	10	10	3	4	—	..	..	..	..	..
Steam locomotives, including narrow-gauge locomotives	P		250	244	238	157	210	159	109	65	..	..	..	..	..
	I		9	—	—	—	—	—	3	—	..	..	..	..	..
	E		196	175	156	156	208	135	46	40	..	..	..	..	..
Goods wagons	P	Thousand	1.23	1.09	1.25	0.64	0.62	0.57	0.54	0.59	..	..	..	..	..
	I		1.50	1.05	0.68	0.04	—	0.01	0.62	0.29	..	..	..	..	..
	E		0.37	0.14	0.10	0.28	0.36	0.34	0.29	0.07	..	..	..	..	..
Passenger coaches	P		0.11	0.06	0.04	0.24	0.26	0.30	0.36	0.34	..	..	0.80	0.45	..
	E		—	0.07	0.04	0.16	0.19	0.25	0.28	0.28	0.32	..	..	..	..
Motor ships, excluding passenger boats	P	Unit	23	20	20	20	20	24	22	..	..	..	40 [h]	..	.. [g]
	E		—	7	7	20	18	25	21	20	..	..	..	..	..
Motor trucks	P	Thousand	2.50	4.51	6.14	6.53	4.21	3.66	2.98	2.99	3.68	..	6.80	..	..
	I		0.79	0.40	0.41	—	0.30	0.63	1.89	1.47	..	..	..	..	..
	E		—	1.08	1.43	3.18	2.93	2.06	1.60	2.29	2.88	..	..	..	..
Motor buses	P		0.44	0.37	1.02	1.18	1.14	1.35	0.78	0.98	1.41	..	3.40	1.50	..
	E		0.31	0.16	0.69	0.78	0.99	0.70	0.71	0.78	1.03	..	..	..	..
Motor-cars	I		0.81	1.22	0.68	0.68	0.58	0.36	0.83	2.68	5.93	..	..	..	..
	E		—	—	—	—	—	0.01	—	0.74	..	..	..	..	..
Agricultural machinery															
Tractors	P		4.13	3.32	2.27	0.86	3.70	4.66 [i]	2.93	1.34	1.52	..	9.9 [i]	2.1	..
	I		0.14	0.07	0.64	0.51	1.20	2.98	1.10	1.55	..	..	..	..	..
	E		0.27	0.63	0.59	0.56	0.26	0.42	1.26	1.03	1.14	..	..	..	..
Fuels and electric power															
Coal	P_A [j]	Million tons	7.3	8.3	9.5	10.4	10.5	10.9	10.0	10.0	11.6	..	..	12.7	..
	P_B [k]		13.3	15.3	18.6	21.0	21.5	22.3	20.6	21.2	24.2	..	29.4	26.6	..
	I [k]		0.34	0.46	0.65	0.79	0.93	0.79	0.84	2.43	1.15	..	..	1.1	..
	E [k]		0.05	0.13	0.21	0.43	0.70	0.53	0.22	0.03	0.09	..	..	—	..
Coke	P		0.23	0.27	0.34	0.37	0.40	0.42	0.48	0.48	..	..	..	..	..
	I		0.61	0.53	0.88	1.02	1.14	1.24	1.09	1.09	..	..	..	..	..

See notes at end of table.

TABLE IV (*continued*)

Production and foreign trade of industrial products in Hungary, 1950 to 1958 and the Plans for 1959, 1960 and 1965

P = production, I = imports, E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 Plan	1960 as planned in 1956	1960 as planned in 1958	1965 Plan
Fuels and electric power *(cont.)*															
Natural gas	P	Billion cu. m.	0.38	0.40	0.50	0.55	0.56	0.55	0.45	0.41	0.38	..	..	..	..
Crude petroleum	P	Million tons	0.51	0.50	0.60	0.85	1.22	1.60	1.20	0.68	0.83	1.0	1.9	1.1	..
	I		0.01	0.19	0.26	0.32	0.32	0.23	0.33	1.03	1.14	..	..	0.74	..
	E		0.02	0.02	0.03	0.05	0.16	0.16	0.08	—	..	..	..	..	..
Petroleum products	P		0.48 *l*	0.65	0.82	1.10	1.29	1.54	1.33	1.30 *	..	2.00	..	2.00	..
	I		0.07	0.11	0.10	0.11	0.08	0.11	0.18	0.22	..	..	..	..	..
	E		0.12	0.16	0.17	0.15	0.14	0.26	0.17	0.25	..	..	..	..	..
Electric power	P	Million MWh	3.00	3.51	4.20	4.62	4.82	5.43	5.20	5.45	6.50	..	8.35	7.60	10.4
	I		..	..	..	..	..	0.26	0.37	0.31	..	..	0.96	..	..
	E		..	..	..	..	..	0.01	0.01	..	..	..	..	..	..
Ores, minerals, metals															
Iron ore	PA *m*	Million tons	0.096	0.086	0.088	0.094	0.119	0.101	0.098	0.092	0.101	..	..	..	..
	PB *k*		0.37	0.31	0.32	0.36	0.43	0.35	0.35	0.33	0.37	..	..	..	..
	I *k*		0.61	0.63	0.79	1.00	1.29	1.35	1.12	1.31	1.81	..	..	..	..
Pig iron *n*	P		0.46	0.53	0.62	0.72	0.84	0.87	0.76	0.82	1.08	..	..	1.10	1.51
	I		0.20	0.20	0.18	0.17	0.21	0.12	0.14	0.13	..	..	..	..	..
	E		—	—	—	—	0.01	0.01	0.02	..	..	..	..	..	..
Crude steel	P		1.05	1.29	1.46	1.54	1.49	1.63	1.42	1.38	1.63	..	2.24	1.65	..
	I		0.02	0.02	0.03	0.02	0.04	0.08	0.05	..	..	..	..	..	..
Rolled ferrous metals	P		0.51	0.66	0.79	0.84	0.82	0.88	0.79	0.89	1.08	..	1.40	1.03	..
	I		0.069	0.073	0.099	0.065	0.060	0.070	0.058	0.127	0.084	..	..	..	..
	E		0.033	0.034	0.051	0.052	0.062	0.105	0.099	0.088	0.177	..	..	..	..
Copper *o*	P	Thousand tons	9.9	11.6	14.6	13.1	13.6	7.8	6.1	..	..	..	..	..	..
	I		11.3	10.3	5.9	4.7	6.6	8.2	8.8	10.5	11.8	..	..	..	..
	E		0.2	—	—	0.1	0.2	0.5	..	..	..	..	..	..	..
Zinc	I		5.2	4.4	4.1	4.6	5.3	7.1	7.1	6.0	..	..	..	..	..
Lead	I		9.4	6.4	7.2	6.6	6.8	5.8	7.8	7.4	7.8	..	..	..	..
Aluminium *o*	P		16.7	21.1	24.7	27.7	32.8	37.0	34.8	26.0	39.5	..	47.5	45.0	..
	I		0.3	0.4	1.3	4.5	0.1	1.7	0.2	11.1	1.9	..	..	..	..
	E		7.6	8.8	14.0	15.2	15.2	21.8	16.6	6.2	22.6	..	..	..	..
Chemicals, fertilizers, rubber															
Sulphuric acid *p*	P	Thousand tons	62	71	94	120	111	124	101	115	130	..	200	155	..
	I	H_2SO_4	24	20	4	1	—	—	—	—	—	..	—	..	..
	E		—	—	—	4	8	20	7	7	8	..	..	..	..
Caustic soda *p*	P	Thousand tons	8.6	8.5	11.9	12.8	11.6	11.7	12.1	13.6	17.0	..	40.5	20.0 *q*	..
	I	(NaOH)	11.1	19.8	20.2	30.2	23.7	30.2	30.7	40.7	39.1	..	..	..	..
	E		—	—	—	—	—	—	0.9	6.5	..	..	..	..	..
Nitrogenous fertilizer	PA	Thousand t. (N)	12.8	13.4	12.6	12.1	13.3	12.8	19.7	16.2	31.1	..	90	..	..
	PB	Thousand tons	62	66	62	59	65	63	97	80	153	..	440	225	612
	I		33	4	2	15	72	28	32	170	137	..	..	..	..
	E		27	15	8	2	2	18	23	6	51	..	..	..	..
Phosphorus fertilizer	PA	Thous. t. (P_2O_5)	27.0	25.9	23.0	30.8	30.5	28.5	24.9	26.4 *r*	33.0 *r*	..	60	..	..
	PB	Thousand tons	150	142	127	167	171	163	152	164 *r*	205 *r*	..	340	195	615
	I		—	—	—	—	—	—	—	14	..	..	..	..	..
	E		—	—	—	—	1	27	26	22	38	..	..	..	..
Potash fertilizer	I		11	33	21	22	30	32	27	36	58	..	..	..	..
	E		1	16	—	—	—	—	—	—	—	..	..	..	..
Phenols	P		..	..	..	..	..	..	..	..	..	..	5.2	..	..
Polyvinyl chloride	I		0.15	0.40	0.75	0.85	0.97	1.03	1.09	..	..	..	..	..	..
Coal-tar dyes	P		0.40	0.53	0.69	0.65	0.72	0.94	0.56	..	..	..	..	..	..
	I		1.74	1.58	1.55	0.87	0.96	1.82	1.50	1.90	..	..	..	..	..
	E		0.07	0.28	0.03	0.07	0.34	0.22	0.20	0.30	..	..	..	..	..
Natural and synthetic rubber	I		5.0	5.9	6.0	9.8	14.1	10.8	11.0	11.2	13.3	..	..	..	..
	E		—	—	0.2	0.6	1.3	1.8	0.2	—	..	..	..	..	..
Artificial fibres *s*	P		4.3	4.3	5.0	4.8	3.6	3.6	2.8	..	..	..	..	..	..
	I		4.8	3.5	3.9	4.7	5.5	11.1	11.5	8.9 *t*	9.9 *t*	..	..	..	..
	E		—	—	0.3	0.9	0.3	2.7	0.3	—	..	..	..	..	..
Plastics	P		..	..	..	..	..	2.7	..	(11.0) *	..	..	11.6	8.6	(45.0)

See notes at end of table.

TABLE IV (*concluded*)

Production and foreign trade of industrial products in Hungary, 1950 to 1958 and the Plans for 1959, 1960 and 1965

P = production, I = imports, E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 Plan	1960 as planned in 1956	1960 as planned in 1958	1965 Plan
Processed food															
Raw meat (including poultry) [u]	P	Thousand tons	97 [v]	66 [v]	126	128	137	150	158	159	173	..	217	187	..
	I		—	—	—	—	5	4	—	6	..	..	..	..	..
	E		32	9	18	21	32	40	29	23	27	..	..	..	..
Melted lard and bacon	P		37 [v]	30 [v]	54	52	53	63	62	55	52 *	..	79	57	..
	I		—	—	—	17	9	10	3	..	..	..	..	..	..
	E		3	1	4	2	1	5	2	..	..	..	..	..	..
Butter	P		8.4	6.8	12.1	8.1	9.4	11.4	12.7	12.2	16.9	..	18.3	16.1	..
	E		1.8	2.3	6.8	2.0	1.7	3.9	5.0	3.9	7.2		..	..	..
Refined and raw sugar	P		179	253	179	306	244	248	216	301	269	..	410	292	..
	I		5	1	10	71	33	87	54	33	47	..	..	..	..
	E		18	49	95	58	88	96	40	10	28	..	..	..	..
Edible vegetable oil	P		10.3	16.6	18.2	20.4	22.9	21.6	18.4	..	..	..	35	..	..
	E		—	—	—	4.2	5.0	5.3	5.6	3.1	..	..	..	..	..
Fabrics, leather and shoes															
Cotton fabrics	P	Million sq. m.	177	204	212	207	224	234	181	208	218	218	247	228	..
	I		0.7	0.5	0.1	0.5	2.6	1.5	2.1	5.0	0.6	..	..	..	..
	E		63.7	81.7	83.6	91.2	99.8	105.7	90.3	60.3	93.5	..	..	..	..
Woollen fabrics	P		26.6	31.0	23.3	15.9	21.4	25.7	19.5	23.8	25.2	..	34.0	27.5	..
	I		—	0.06	0.02	—	0.03	—	0.19	1.62	0.05	..	..	..	..
	E		3.12	2.18	2.64	2.43	2.18	2.52	2.92	1.01	2.11	..	..	..	..
Sole and similar leather	P	Thousand tons	8.8	8.2	7.4	8.2	8.0	8.8	6.0	7.3	8.5	..	..	..	..
	I		13.8	9.8	13.4	12.6	12.9	18.5	8.1	11.8	16.8	..	..	..	..
Leather shoes	P	Million pairs	6.8	9.0	10.6	10.0	12.4	14.0	10.9	13.1	15.2	..	16.2	18.5	..
Rubber and other shoes	P		0.72	0.84	0.84	1.08	1.12	1.24	1.10	1.10	0.8	..	..	..	..
All shoes	E		1.22	1.44	0.76	0.98	1.01	0.98	1.25	0.85	3.07	..		..	..
Metal-made consumers' goods															
Radio sets	P	Thousand	99	156	167	158	258	377	352	453	452	..	455 [w]	283 [x]	..
	I		—	—	—	—	—	1	14	17	1	..	..	..	..
	E		..	97	11	26	57	69	49	93	117	..	..	..	..
Television sets	P		..	..	..	..	..	..	2.2	6.4	37.0	43.0	..	115	..
Domestic sewing machines	P		18.5	23.0	24.8	22.9	27.0	46.1	46.1	53.3	..	..	68.5	..	..
	I		1.3	1.6	0.7	0.3	0.8	2.1	2.5	3.9	..	..	..	..	..
	E		10.7	19.1	13.2	29.5	27.2	28.4	37.4	30.9	..	..	..	..	..
Domestic refrigerators	P		..	..	..	..	..	..	..	0.48	0.78	..	..	15.0	..
	I		..	..	..	..	..	..	..	5.90	0.72	..	..	..	..
Bicycles	P		157	185	218	136	174	217	187	197	203	..	410	..	..
	I		—	—	—	1	—	—	11	46	..	..	..	..	..
	E		8	58	63	37	66	75	30	47	90	..	..	..	..
Motor-cycles	P		9.6	11.8	12.5	14.3	14.6	16.5	28.3	35.1	55.8	..	54	68.5	..
	I		0.3	—	—	—	—	—	0.7	8.3	6.2	..	..	..	..
	E		0.2	1.2	1.5	3.0	2.4	6.9	6.6	8.6	14.4	..	..	..	..

Sources: See "Notes to the statistics".

NOTE. — Production series (A) and (B) refer to the same output in different units of quantity in order to permit international comparisons on the one hand and comparisons with the national foreign trade statistics on the other.

[a] Includes other equipment of hydro-power stations in imports and exports.
[b] Includes only lathes, drills and milling machines of which 4.94 thousand were produced and 1.9 thousand exported in 1956.
[c] Total imports of machine tools, 0.58 thousand.
[d] Output of non-cutting machine tools was planned to rise from 28 million forints in 1955 to 80 million forints in 1960 according to the 1956 version of the plan.
[e] Only diesel railcars.
[f] Only diesel locomotives.
[g] Planned production in 1963 of diesel locomotives and rail cars: 380, and of motor ships: 35.
[h] Average for 1956-1960.
[i] *Of which:* Diesel tractors, 0.1 in 1955 and 5.2 in 1960, according to the Plan of 1956.
[j] Hard-coal equivalent.
[k] Ton for ton.
[l] Excluding fuel oil.
[m] Fe content.
[n] Including scrap in imports.
[o] Including rolled products in exports and imports.
[p] Including regenerated quantities in production.
[q] Production excluding regenerated quantities was planned at 9.8 thousand tons.
[r] Only superphosphates, of which, in 1956, 150 thousand tons, an equivalent of 24.1 thousand tons of P_2O_5, was produced.
[s] Staple fibre, rayon and synthetic fibres.
[t] Only cotton-type staple fibre, of which 9.0 thousand tons were imported in 1956.
[u] Slaughter weight.
[v] Production of ministry-controlled industry only.
[w] Excluding complete sets of spare parts. Comparable figure for 1955: 310,000.
[x] Production is planned to shift towards sets of higher value.
[y] Million forints expressed in foreign trade currency units.

TABLE V

Production of industrial products in Rumania, 1950 to 1958 and the Plans for 1959 and 1960

Product and series	Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 Plan	1960 as planned in 1956
Industrial equipment												
Steam turbines	MW	—	—	6.0	15.0	9.0	15.0	18.0	22.5	..	..	..
Generators for steam, gas and hydro turbines		14	7	24	40	33	47	54	57	45[a]	..	..
Electric motors		94	225	326	303	174	147	172	275	373	..	370-400
Transformers	MVA	205	424	727	626	326	309	421	494	689[a]	..	c. 850
Metallurgical equipment	Thousand tons	..	..	..	..	..	3.6	9.4	11.5	..	..	..
Chemical equipment		..	..	..	..	..	..	..	..	10.5	12.6	..
Oil industry equipment		..	..	..	..	..	..	..	..	35.0	41.5	..
Transport equipment												
Steam locomotives (normal gauge)	Unit	56	30	25	17	20	54	53	65	..	..	c. 135
Goods wagons of four axles	Thousand	2.1	2.6	2.4	2.7	0.9	1.5	2.1	2.7	3.5	..	c. 3.0
Passenger coaches		0.04	0.03	0.01	0.02	0.04	0.10	0.08	0.09	..	..	..
Motor trucks		—	—	—	0.1	0.8	3.0	5.2	5.3	6.8	8.0	c. 15.0
Agricultural machinery												
Tractors		3.5	3.4	4.2	5.0	5.2	3.5	4.2	5.5	7.0	9.0	6.0
Fuels and electric power												
Coal A[b]	Million tons	1.9*	2.3*	2.5*	2.6*	2.6*	2.7*	2.9*	3.1*	3.2*	..	..
B[c]		3.89	4.63	5.22	5.50	5.56	6.10	6.47	7.06	7.39	..	11.0-11.6
Metallurgical coke		0.07	0.06	0.10	0.13	0.11	0.14	0.26	0.44	0.56	..	0.70
Natural gas	Billion cu. m.	3.24	4.05	4.95	5.60	5.83	6.17	6.76	7.30	7.95[a]	..	15.5
Crude petroleum	Million tons	5.05	6.21	8.00	9.06	9.74	10.6	10.9	11.2	11.3	..	13.5
Petroleum products		4.65	5.58	7.31	8.16	8.75	9.66	9.89	10.04	10.0[a]	..	..
Electric power	Million MWh	2.11	2.47	2.89	3.41	3.70	4.34	4.93	5.44	6.18	..	7.8-8.0
Ores and metals												
Iron ore	Million tons	0.39	0.47	0.64	0.69	0.60	0.64	0.69	0.64	0.73[a]	..	1.15-1.25
Pig iron		0.32	0.34	0.38	0.45	0.43	0.57	0.58	0.69	0.74	..	1.14
Crude steel		0.56	0.64	0.70	0.72	0.63	0.77	0.78	0.86	0.93	1.30	1.53-1.69
Rolled ferrous metals (including tubes)		0.46	0.52	0.59	0.60	0.50	0.57	0.60	0.66	0.78	..	1.05-1.07
Chemicals, fertilizers, rubber												
Caustic soda	Thousand tons	15.3	19.4	21.8	21.3	17.5	23.5	24.0	33.5	41.1	..	80-90
Soda ash		38.8	49.5	50.9	55.1	42.1	51.0	50.6	67.5	83.3	..	200
Nitrogenous and phosphorus fertilizers[d]		0.6	1.2	0.5	2.0	7.2	10.7	12.7	18.2	28.9	52*	45[e]
Synthetic rubber		..	..	..	..	..	..	..	..	..	..	10.0
Synthetic fibres and yarns		..	..	..	..	..	..	..	..	..	..	7.0
Plastics		..	..	..	..	..	..	..	..	..	6.3	10.0
Processed food												
Meat[f] and meat products		150	138	192	162	191	256	299	243	273	..	365[g]
Butter		2.3	3.7	6.2	4.7	4.9	6.9	5.9	6.6	10.2	..	c. 14
Refined and raw sugar		87	138	102	115	94	130	151	185	188	..	280
Edible vegetable oil		35.9	37.8	43.2	47.6	64.4	48.3	51.8	57.9	63.8	..	c. 90
Fabrics and shoes												
Cotton fabrics	Million sq. m.	148	173	200	197	210	243	192	188	203[a]	..	290-315
Woollen fabrics		22.7	27.8	27.4	29.1	30.2	31.3	31.2	28.7	26.7[a]	..	..
Leather, rubber and other shoes[h]	Million pairs	11.2	13.7	14.4	12.9	12.9	17.8	20.6	21.9	24.1	..	25.8
Metal-made consumers' goods												
Radio sets	Thousand	39.7	40.9	26.2	23.4	49.6	89.4	104.3	113.0	138.6	170.0	c. 148
Domestic sewing machines		3.1	—	—	—	0.8	10.0	25.4	30.6	49.0	70.0	..
Domestic refrigerators		—	—	—	—	—	—	0.2	2.7	5.4	..	..
Bicycles		—	—	—	—	4.7	35.5	44.9	61.1	100.0	150.0	c. 107

Sources: See "Notes to the statistics".

NOTE. — Series (A) and (B) refer to the same output in different units of quantity in order to permit international comparisons.

[a] First nine months at a yearly rate.

[b] Hard coal equivalent.

[c] Ton for ton.

[d] In terms of pure content.

[e] Revised plan for 1960: 92.5 thousand tons, plan for 1965 : 278 thousand tons, plan for 1975: 555 thousand tons.

[f] Only industrial slaughter.

[g] Excluding meat products. Comparable figure for 1958: 226 thousand tons.

[h] Excluding private sector.

TABLE VI

Production and foreign trade of industrial products in Poland, 1950 to 1958 and the Plans for 1959, 1960 and 1965

P = production, I = imports, E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 Plan	1960 as planned in 1956	1960 as planned in 1959	1965 Plan
Industrial equipment															
Steam turbines	P	MW	—	—	—	(2)	(8)	19	40	65	52	..	228	255	550
Electric generators	P		..	..	..	..	..	140	247	..	..	2046	2905	..	..
Electric motors for alternating current	P		372	575	713	874	1001	1092	1214	1247	..			..	..
Transformers (above 20 KVA)	P	MVA	916	1513	1560	1985	2109	2234	2146	2038	2132	..	2640[a]	..	..
High pressure combust. engines	P	Thousand	(1.21)[b]	(2.13)[b]	(1.94)[b]	(2.94)[b]	(3.56)[b]	4.48	6.03	8.39	16.29	..	..	..	..
Power and electro-technical equipment	I	Million zlotys[c]	..	..	..	(192)*	(170)*	(158)	(140)	(111)	..	..	..	..	..
	E		..	..	..	..	..	(3.4)	(20.9)	(34.0)	..	..	..	..	..
Metal-cutting machine tools	PA	Thousand tons	..	..	..	..	21.8	22.9	22.8	25.7	25.8	..	40.5	..	..
	PB	Thousand	3.8	..	..	8.7	11.0	12.7	15.1	17.4	17.0	..	18.5	19.0	27.0
Non-cutting machine tools	PA	Thousand tons	..	..	..	..	4.4	4.9	6.6	6.7	7.5	..	17.8	..	..
	PB	Thousand	0.3	..	..	1.3	1.5	1.7	1.8	2.4	4.0	..	2.8	..	..
All metal-working machine tools	P	Thousand tons, Million zlotys[d]	12.1	13.0	16.8	20.2	26.2	27.8	29.4	32.4	33.3	41.7	58.3	..	..
	I		(28.4)[e]	..	..	..	(41.2)	..	..	..	..	..	..	..	..
	E		(7.3)[e]	..	..	(25.2)	(21.2)	(20.2)	(27.5)	(31.3)	..	..	..	..	..
Chemical equipment	P	Thousand tons	7.1	12.1	22.9	30.0	35.3	31.9	32.1	34.3	37*	..	46.9[a]	..	..
Mining equipment	P		34[e]	..	..	(81)[f]	(97)[f]	103	132	129	128	..	..	..	..
Textile machinery	P		5.2	3.5	3.0	3.7	5.6	6.0	4.7	5.6	..	..	..[g]	..	..
Transport equipment															
Electric locomotives	P	Unit	—	—	—	1	7	7	1	..	..	40	50	..	..
Diesel locomotives	P		—	—	4	30	84	91	93	83	..	180	211[a]	..	..
Steam locomotives[h]	P		240	..	..	215	258	308	288	221	68	..	..	..	..
	E		166	..	..	224	240	237	232	243	27	..	..	..	..
Goods wagons[h]	P	Thousand	13.9	12.2	9.0	8.8	11.2	11.9	12.3	11.9	9.8	15.0	16.0[a]	..	..
	E		..	..	..	5.4	2.7	2.8	4.5	3.1	4.1	..	..	..	
Passenger coaches[h]	P		0.16	0.28	0.42	0.51	0.46	0.59	0.59	0.58	0.60	0.63	0.60[a]	..	..
	E		..	..	..	0.31	0.27	0.28	0.31	0.49	0.47	..	..	..	..
Seafaring ships	P	Thousand DWT	8	4	41	65	77	103	120	147	175	..	200	265	450
Ships and harbour equipment	I	Million zlotys[d]	—	..	..	..	..	(30)	(29)	(19)	..	..	..	..	..
	E		(21)	..	..	(103)	(100)	(148)	(152)	(169)	..	..	..	..	..
Motor trucks	P	Thousand	(0.8)	(2.7)	(6.9)	(10.9)	(12.6)	12.1	12.6	14.0	13.2	11.2[hh]	15.2	17.2[hh]	35.0[hh]
	I		..	..	..	..	..	0.66	0.74	0.36	..	..	..	..	..
	E		..	..	..	..	..	0.79	0.93	0.45	..	..	..	..	..
Motor buses	P		—	—	—	0.2	0.3	0.4	0.6	1.0	0.7	1.3	1.6[a]	2.1	3.7
Motor-cars	P		—	0.1	1.6	1.6	1.7	4.0	5.8	8.0	11.3	23.0	29.0	16.5	22.5
Agricultural machinery															
Tractors	P		4.0	4.2	6.0	6.9	7.8	8.1	8.5	6.9	(4.4)[i]	(2.6)[i]	(3.0)[a i]	(8.6)[i]	(20.0)[i]
	I		..	..	..	..	..	0.04	1.59	4.17	..	..	..	..	..
	E		0.01	..	..	..	..	0.48	1.85	0.58	..	..	..	..	..
Other agricultural machinery	P	Million zlotys[j]	..	..	..	..	..	932	1225	1377	1338	..	3440	1300	2200
	I	Million zlotys[c]	..	..	..	..	..	(64)[k]	(72)[k]	(65)[k]	..	..	..	..	..
	E	Million zlotys[d]	(1)	..	..	..	..	(9)	(30)	(11)	..	..	..	..	..
Fuels and electric power															
Coal	PA[l]	Million tons	79.5	..	..	90.3	93.4	96.3	97.0	95.9	97.2	..	..	107*	125*
	PB[m]		82.8	86.9	89.5	94.3	97.5	100.5	101.3	100.1	102.5	109.0	121.7	112.6	139-140
	I		0.01	..	..	..	..	0.02	0.01	0.01	..	..	..	..	..
	E		26.6	..	..	24.2	24.2	24.1	19.2	13.4	16.2	..	..	..	..
Coke	P		6.0	6.4	7.4	7.9	8.5	10.0	10.5	10.9	11.1	11.4	12.5	..	..
	E		1.9[e]	..	..	1.8	1.9	2.2	2.3	1.9	2.1	..	..	..	..
Natural gas	P	Billion cu.m.	0.18	0.28	0.31	0.32	0.36	0.39	0.44	0.42	..	0.40	0.40[a]	..	1.0
Crude petroleum	P	Million tons	0.16	0.18	0.21	0.19	0.18	0.18	0.18	0.18	0.18	0.17	0.25	..	..
	I		..	..	..	0.41	0.46	0.55	0.54	0.63	0.60	..	..	..	..
Petroleum products	P[n]		0.15	0.21	0.26	0.29	0.30	0.31	0.34	0.41	0.43*	..	..[o]	..	..
	I		0.26	..	..	0.53	0.72	0.89	0.95	1.16	1.27	..	..	..	..
Electric power	P	Million MWh	9.42	10.51	11.98	13.68	15.47	17.75	19.50	21.16	23.95	25.70	29.9	28.8	43.5-45.0
Ores, minerals, metals															
Iron ore	P	Million tons	0.77	0.87	1.01	1.31	1.58	1.86	1.97	1.99	2.17	2.72	3.70	..	..
	I		1.92	..	..	3.10	4.11	4.41	4.78	5.91	5.75	..	..	..	..
Pig iron	P		1.55	1.63	1.85	2.36	2.66	3.11	3.51	3.68	3.86	4.65	5.10	..	..

Sources : See " Notes to the statistics ".

NOTE. — Production series (A) and (B) refer to the same output in different units of quantity in order to permit international comparisons on the one hand and comparisons with the national foreign trade statistics on the other.

a As planned in 1957.

b Only a restricted selection of types. Corresponding figure for 1955: 3.81 thousands.

c Million zlotys expressed in foreign trade currency units at 1956 prices.

d Million zlotys expressed in foreign trade currency units at current prices.

e 1949.

f Including oil industry equipment. Corresponding figure for 1955: 131,000 tons.

g Planned increase in value terms between 1955 and 1960 : 56 per cent according to the 1957 version of the plan.

h Excluding rolling stock for narrow-gauge railways.

hh Excluding motor trucks for special use. Corresponding figure for 1958: 10.1 thousand

TABLE VI (*concluded*)

Production and foreign trade of industrial products in Poland, 1950 to 1958 and the Plans for 1959, 1960 and 1965

P = production, I = imports, E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 Plan	1960 as planned in 1956	1960 as planned in 1959	1965 Plan
Ores, minerals, metals (continued)															
Crude steel	P	Million tons	2.52	2.79	3.18	3.60	3.95	4.43	5.01	5.30	5.63	6.30	7.2	6.4	9.0
Rolled ferrous metals	P		1.79	2.04	2.23	2.56	2.72	2.93	3.31	3.58	3.70	4.10	4.90	..	..
	I		..	..	..	..	..	0.15	0.18	0.27	..	..	..	..	..
	E		..	..	..	0.21	0.20	0.23	0.47	0.56	0.59	..	..	..	..
Electrolytic copper	P	Thousand tons	10.5	8.2	9.9	12.5	17.0	15.7	20.3	19.9	17.4	20.1	21.6	15.8	35.0
Zinc	P		113.6	117.8	124.9	138.4	142.1	156.2	153.3	159.0	162.6	167.5	190.0	170.0	215-230
	E [p]		..	..	..	111.7	88.2	96.4	96.0	92.0	86.0	..	..	..	..
Refined lead	P		22.2	23.1	26.0	29.5	31.9	34.2	35.2	35.7	35.1	35.0	40.0[a]	40.0	52.0
	I		5.7	..	..	..	..	..	2.0	3.4	..	..	..	..	..
Aluminium	P		..	..	..	..	5.2	20.4	21.8	20.3	22.4	22.6	46.0	23.0	75.0
	I		10.5	..	..	..	..	5.5	4.0	4.8	..	..	..	..	..
	E		..	..	..	..	..	6.2	6.3	1.7	..	..	..	..	..
Chemicals, fertilizers, rubber															
Sulphuric acid	P	Thousand tons H_2SO_4	285	277	348	370	419	450	481	499	573	642	768	657	1140
Caustic soda (of 96 to 98 per cent)	P	Thousand tons	65	71	71	82	88	102	122	136	151	..	660	169	255
Soda ash (of 98 per cent)	P		142	161	166	180	192	211	215	228	369	430		520	660
Caustic soda and soda ash	E		..	..	..	38	60	52	47	66	180	..	..	..	..
Nitrogenous fertilizer	P	Thousand tons N	77.8	79.8	75.5	83.9	99.6	154.1	175.1	200.6	227.5	271.0	298.0[qq]	280.0	480.0
	I		80	..	..	..	..	56	60	83	..	..	..	..	..
	E		..	..	..	..	..	5	46	..	..	..	..	..	..
Phosphorus fertilizer	P	Thous. tons P_2O_5	82.5	80.5	102.0	108.8	120.7	131.9	123.5	138.8	153.9	208	229.0[qq]	205.0	360.0
	I		116	..	..	..	..	94	153	146	..	..	..	..	..
Potash salts	P	Thous. t. K_2CO_3	..	..	..	..	..	..	..	..	..	..	..	—	60.0
All artificial fertilizers	I [qq]	Thousand tons	..	..	..	1260	1271	1293	1408	1512	1248	..	..	..	..
Synthetic phenols	P		—	—	0.4	2.8	3.3	3.5	3.7	4.7	7.6	13.2	18.2	..	..
Crystalline phenols	P		..	..	1.1	1.4	1.3	1.2	1.8 *	1.9 *				..	..
Coal-tar dyes	P		4.3	4.6	4.7	6.1	6.4	6.6	6.5	8.0	..	7.5	8.0[a]	..	..
Synthetic rubber	P		—	—	—	—	—	—	—	—	—	6	20[a]	15	50
Natural and synthetic rubber	I		12.6 [e]	..	..	..	23.6	25.7	33.8	43.7	49.0	..	..	..	..
Artificial fibres	P		24.8	27.3	32.0	38.8	45.4	51.0	56.1	59.8	66.3	..	78.0-86.0	79.0	113.5
	I		..	..	..	5.8	..	..	7.6	10.6	..	..	..	..	..
Plastics and plastic products	P		2.0	5.3	3.0	7.4	8.8	9.8	..	..	30.7	..	..	62.7	185.0
Processed food															
Meat and meat products [r]	P		36	539	526	627	617	629	766	876	1036	897	930	1195	1500-1600
	I		3	..	..	..	..	2	2	7	..	..	..	..	..
	E		26	..	..	88	74	73	88	88	91	..	..	..	..
Melted lard and bacon	P		31.8 [e]	..	..	93.0	97.8	89.2	98.4	119.5	..	..	..	..	..
Butter	P		32.2	46.3	52.1	54.2	59.9	61.3	62.3	78.7	88.0	85.5	93.7	115.0	165.0
Edible vegetable oil	P		13.9	14.6	17.2	11.2	14.3	14.4	14.2	13.0	..	..	..	..	..
All edible animal and vegetable fats	I		25.6 [e]	..	..	28.9	35.0	18.2	26.2	22.0	25.8	..	..	..	..
Refined and raw sugar [s]	P		955	858	826	1107	1036	981	776	1059	1095	1150	1350	1200	1500-1550
	I		—	..	..	—	—	4	—	—	..	..	..	..	..
	E		234	..	..	397	540	372	61	98	222	..	..	..	..
Fabrics, leather and shoes															
Cotton fabrics	P[A]	Million sq.m.	363	..	..	416	438	486	489	505	520 *	..	..	..	..
	P[B]	Million metres	435.9	466.6	471.8	499.5	526.1	568.3	564.7	579.6	598.3	..	681.0	640.0	790.0
	E		50.5 [e]	..	..	73.2	78.8	57.5	92.7	63.8	25.9	..	..	..	..
Woollen fabrics	P		56.0	60.7	62.9	70.7	71.1	75.7	76.2	76.5	78.1	83.7	86.8	83.7	101.0
	E		5.9	..	..	6.3	7.4	5.8	7.2	3.9	3.3	..	..	..	..
Sole and similar leather	P	Thousand tons	13.0	14.2	11.7	12.7	15.3	16.3	15.9	17.5	..	..	..	..	..
Leather shoes	P	Million pairs	11.5	17.8	18.2	20.8	23.2	24.6	27.5	30.1	34.6	31.6	35.5[a]	40.0	48.0
	I		2.86	..	..	0.49	0.64	1.05	1.42	1.08	3.1	..	..	..	..
Rubber and other shoes	P		17.0	22.8	25.1	29.5	28.4	30.4	33.7	38.6	40.2	44.0	47.8[a]	..	..
Metal-made consumers' goods															
Radio sets	P	Thousand	66.1 [e]	..	..	267.9	307.7	461.2	498.7	646.5	789.5	..	860	900.0	1100.0
Television sets	P		—	—	—	—	—	—	2.2	16.0	57.1	..	100	200.0	440.0
Domestic sewing machines	P		—	0.2	4.0	8.8	18.4	56.9	124.8	157.1	162.7	..	..	..	..
Domestic refrigerators	P		—	—	—	0.4	2.2	3.4	6.1	9.2	24.8	..	..	75.0	240.0
Bicycles	P		99.0	110.1	109.1	131.2	139.1	166.7	184.9	227.9	309.7	..	600	700.0	750.0
Motor-cycles	P		14.8	17.8	5.7	13.7	19.8	30.1	45.5	62.2	85.0	..	190	165.0[t]	300.0[t]

[*] Excluding single-axle tractors.
[j] Million zlotys at comparable domestic prices.
[k] Including tractors.
[l] Hard-coal equivalent.
[m] Ton per ton.
[n] Petrol (including synthetic petrol), crude gasoline, kerosene, motor-oil.
[o] Planned increase of production of all petroleum products between 1955 and 1960: 19.5 per cent according to the 1957 version of the plan.
[p] Including zinc plates.
[q] Planned output of all fertilizers: 560-600 thousand tons according to the 1956 version of the plan.
[qq] Commercial wieght.
[r] Only from industrial slaughter.
[s] In terms of white sugar.
[t] Including scooters and power-assisted bicycles.

TABLE VII

Production and foreign trade of industrial products in the Soviet Union, 1950-1958, and the plans for 1960, 1965 and 1975

P = production, I = imports, E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1960 Plan	1965 Plan	1975 Plan
Industrial equipment														
Steam and gas turbines	P	MW	2381	2663	2873	4036	4202	4069	4268	4062	(6600) [a]	10500	(18,700-20,400) [a]	..
	I		..	..	..	..	..	489	73	15	..	..	..	..
Hydro turbines	P		315	478	572	719	1262	1492	1581	1308	(6600) [a]	2600	(18,700-20,400) [a]	..
Generators for steam, gas and hydro turbines [b]	P		934	1923	2510	3467	3816	4526	5184	5558	5200	11000	17,500-18,400	..
	I		..	..	..	..	..	130	118	127	..	..	..	..
Electric motors	P		6780	7355	7096	7747	8207	8819	9754	11315*	(14800) [c]	..	(32,000-34,000) [c]	..
	I		..	..	..	..	..	—	124	..	..	..	..	..
Transformers	P	MVA	10200	11700	13900	15700	15600	19600	23600	..	..	..	..	..
	I		..	..	..	..	..	606	1384	1275	..	..	..	..
	E		..	..	..	..	..	16	219	62	..	..	..	..
Diesel engines	P	Thousand h.p.	3225	3575	3997	4351	4585	4005	4403	..	..	..	..	..
	I		..	..	..	..	..	..	24	..	..	..	..	..
Metal-cutting machine tools	P	Thousand	70.6	71.2	74.6	91.8	102.4	117.1	124.0	130.9	138.0	200	190-200	..
	I		..	..	..	..	..	2.4	3.2	3.4	..	..	..	..
	E		..	..	..	..	..	0.9	1.1	1.1	..	..	..	..
Non-cutting machine tools	P		9.0	10.2	10.7	12.7	15.3	19.4	20.5	24.0	24.6	25.8	36.2	..
	I		..	..	..	..	..	1.7	2.0	1.9	..	..	..	..
	E		..	..	..	..	..	—	0.1	0.1	..	..	..	..
Automatic and semi-automatic production lines	P	Unit	..	..	..	..	..	..	..	..	130	..	280-300	..
Metallurgical equipment	P	Thousand tons	111	110	124	146	154	172	177	164	173	280	.. [d]	..
	I		..	..	..	..	..	35	26	34	..	..	..	..
	E		..	..	..	..	..	7	6	6	..	..	..	..
Chemical equipment [e]	P		43	60	77	95	108	111	108	118	132 [ee]	208	.. [ee]	..
Oil-industry equipment [e]	P		48	71	103	121	86	49	49	61	73	120	..	..
	I		..	..	..	..	..	7	5	—	..	..	..	..
Textile spinning machines	P	Thousand	1.96	1.61	1.77	1.73	1.89	2.04	1.66	1.88	..	..	.. [f]	..
Textile looms	P		8.7	7.2	10.0	10.2	17.3	16.0	14.0	14.5	14.4	..	.. [f]	..
Transport equipment														
Electric locomotives	P	Unit	102	113	110	147	158	194	216	270	344	550	.. [g]	..
	I		..	..	..	..	..	—	5	100	..	..	..	..
	E		..	..	..	..	..	38	51	71	..	..	..	..
Diesel locomotives	P		125	76	75	101	120	134	161	400	712	1630	.. [g]	..
	I		..	..	..	..	..	—	26	79	..	..	..	..
	E		..	..	..	..	..	—	30	—	..	..	..	..
Steam locomotives	P		985	665	254	668	758	654	490	—	—	—	—	—
	I		..	..	..	..	..	354	280	257	..	..	..	..
Goods wagons	P	Thousand	50.8	28.4	24.4	25.1	23.9	34.4	40.2	38.3	40.3	52.0	..	..
	I		..	..	..	..	..	2.8	2.6	2.5	..	..	..	..
	E		..	..	..	..	..	—	0.2	—	..	..	..	..
Passenger coaches	P		0.9	1.3	1.2	1.5	1.8	1.8	1.8	1.9	1.8	2.8	..	..
	I		..	..	..	..	..	0.9	0.9	1.4	..	..	..	..
Ships and harbour equipment	I	Million roubles [y]	..	..	..	..	..	1056	1217	958	..	..	..	..
	E		..	..	..	..	..	13	26	37	..	..	..	..
Motor trucks	P	Thousand	294.4	229.8	243.5	270.7	300.9	329.0	357.6	371.6	(389) [h]	434.0	.. [hh]	..
	I		..	..	..	..	..	—	0.1	1.1	..	..	..	..
	E		..	..	..	..	..	22.4	14.0	11.2	..	..	..	..
Motor buses	P		3.9	5.3	4.7	6.1	8.3	8.5	9.2	10.2	..	16.0	.. [hh]	..
	I		..	..	..	..	..	—	0.3	0.2	..	..	..	..
	E		..	..	..	..	..	0.2	0.2	0.1	..	..	..	..
Motor cars	P		64.6	53.6	59.7	77.4	94.7	107.8	97.8	113.6	122	200	.. [hh]	..
	E		..	..	..	..	..	12.9	17.5	23.0	..	..	..	..
Agricultural machinery														
Tractors	PA	Thous. (15 h.p.)	241	201	216	243	277	322	371	391	..	..	..	..
	PB	Thousand	108.8	91.8	98.7	111.3	135.4	163.4	183.5	203.9	220	322	143 [i]	..
	I		..	..	..	..	..	0.03	0.13	0.02	..	..	..	..
	E		..	..	..	..	..	8.2	5.4	6.7	..	..	..	..
Other agricultural machinery	P	Million roubles	2700	..	..	..	..	5400	..	..	..	9500	..	..
	I	Million roubles [y]	..	..	..	..	..	(28)	(27)	(58)	..	..	..	..
	E		..	..	..	..	..	(81)	(61)	(41)	..	..	..	..

See notes at end of table.

TABLE VII (*continued*)

Production and foreign trade of industrial products in the Soviet Union, 1950-1958, and the plans for 1960, 1965 and 1975

P = production, I = imports, E = exports

Product and series		Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1960 Plan	1965 Plan	1975 Plan
Fuels and electric power														
Coal	PA[j]	Million tons	225	242	260	274	297	336	368	397	425*	..	..	..
	PB[k]		261	282	301	320	347	391	429	463	496	593	600-612	650-750
	I		..	..	..	..	..	8.7	6.4	3.4	3.8	..	..	..
	E		..	..	..	..	..	4.3	5.7	8.8	10.0	..	..	..
Coke[l]	P		27.7	30.7	33.7	36.9	40.3	43.6	46.7	48.6	50.9	..	..	..
	I		..	..	..	..	..	0.45	0.60	0.37	0.68	..	..	..
	E		..	..	..	..	..	1.62	1.96	2.20	2.42	..	..	..
Natural gas	P	Billion cu.metres	6.2	..	..	..	8.8	10.4	13.7	20.2	29.8	40	150	270-320
	E		..	..	..	..	..	0.14	0.14	0.17	..	..	..	..
Crude petroleum	P	Million tons	37.9	42.3	47.3	52.8	59.3	70.8	83.8	98.3	113.0	153	230-240	350-400
	I		..	..	..	..	..	0.58	1.51	1.33	..	..	..	..
	E		..	..	..	..	..	2.92	3.90	5.92	..	..	..	..
Petroleum products	I		..	..	..	..	..	3.82	3.80	2.94	..	..	..	..
	E		..	..	..	..	..	5.07	6.17	7.76	..	..	..	..
Electric power	P	Million MWh	91.2	104.0	119.1	134.3	150.7	170.2	191.7	209.7	233.0	320	500-520	800-900
Ores, minerals, metals														
Iron ore[m]	P	Million tons	39.7	44.9	52.6	59.7	64.3	71.9	78.0	84.2	88.8	..	150-160	250-300
	E		..	..	..	..	..	8.82	9.12	10.77	..	11.7	..	..
Pig iron	P		19.2	21.9	25.1	27.4	30.0	33.3	35.8	37.0	39.6	53	65-70	75-85
	I		0.15	..	..	..	..	0.58	0.50	0.15	..	..	..	..
	E		0.40	..	..	..	..	1.15	1.36	1.28	..	..	..	..
Crude steel	P		27.3	31.4	34.5	38.1	41.4	45.3	48.7	51.2	54.9	68.3	86-91	100-120
	E		..	..	..	..	..	..	0.02	0.05	..	..	..	..
Rolled ferrous metals	P		20.9	24.0	26.8	29.4	32.1	35.3	37.8	40.2	42.9	53.0	65-70	..
	I		0.19	..	..	..	..	0.10	0.62	0.73	..	..	..	..
	E		0.58	..	..	..	..	1.57	1.88	1.96	..	..	..	..
Copper[n]	P	Thousand tons	293	334	384	..	..	..	488	..	..	..	..[n]	..
	I		3	1	—	—	3	—	—	—	..	..	..	..
	E		..	..	..	..	..	39	55	63	..	..	..	..
Zinc	P		..	..	..	..	..	..	250	..	..	..	..	..
	I		..	..	..	..	..	47	48	33	..	..	..	..
	E		..	..	..	..	..	36	51	72	..	..	..	..
Lead	I		..	..	..	..	..	18	27	28	..	..	..	..
	E		..	..	..	..	..	26	41	55	..	..	..	..
Aluminium[n]	P		209	220	235	300	..	545	..	..	..	..	..[n]	..
	I		4	6	2	3	..	17	19	1	..	..	..	..
	E		..	..	..	..	..	48	65	91	..	..	..	..
Chemicals, fertilizer, rubber														
Sulphuric acid	P	Thousand tons	2125	2372	2662	2919	3292	3798	4323	4569	4800	..	..	..
	E	of monohydrate	..	..	..	..	..	14	15	18	..	..	..	..
Caustic soda	P	Thousand tons	325	352	390	448	498	563	631	..	..	1000	..	..
	I[p]	(92% NaOH)	..	..	..	..	..	34	69	48	..	..	..	..
	E[p]		..	..	..	..	..	9	19	17	..	..	..	..
Soda ash	PA[o]	Thousand tons	711	783	949	1134	1246	1365	1468	1537	..	..	..	..
	PB[p]		749	824	999	1194	1312	1437	1545	1618	..	2420	..	..
	I[p]		..	..	..	..	..	108	143	72	..	..	..	..
	E[p]		..	..	..	..	..	29	22	42	..	..	..	..
Nitrogenous, phosphorus and potash fertilizers[q]	P	Thousand tons	5492	5925	6394	6968	8060	9640	10906	11700	12400	19600	35000	..
	I		..	..	..	..	..	(47)	(5)	(20)	..	..	..	..
	E		..	..	..	..	..	(211)	(283)	(462)	..	..	..	..
Coal-tar dyes[r]	P		46.5	53.5	58.6	59.4	63.3	73.7	77.0	..	..	..	..	..
Natural and synthetic rubber	I		..	..	..	..	..	60.8	166.8	170.4	..	..	..	..
	E		..	..	..	..	..	33.6	45.9	47.1	..	..	..	..
Artificial fibres[s]	P		24.2	..	..	62.3	78.8	110.5	128.9	148.6	..	..	..[s]	..
	I		..	..	..	..	..	28.5	55.6	64.2	..	..	..	..
Plastics	P		75	..	..	..	..	177	206	..	..	..	..[ss]	..
Processed food														
Meat[t]	P		1556	1715	1965	2212	2459	2524	2671	3103	3400	3950	(6130)[t]	..
	I		..	..	..	..	..	239	207	116	..	..	..	..
	E		..	..	..	..	[r] ..	11	31	77	..	..	..	..

See notes at end of table.

TABLE VII (*concluded*)

Production and foreign trade of industrial products in the Soviet Union, 1950-1958, and the plans for 1960, 1965 and 1975

P = production, I = imports, E = exports

Product and series	Unit	1950	1951	1952	1953	1954	1955	1956	1957	1958	1960 Plan	1965 Plan	1975 Plan
Processed food (*continued*)													
Butter . . . . . P	Thousand tons	336	355	371	382	389	463	556	621	647	680	1006	..
I		..	..	..	..	..	6	6	8	..	..	..	..
E		..	..	..	..	..	5	26	49	..	..	..	..
Refined sugar [u] . . . . P		2523	2979	3067	3434	2611	3419	4354	4491	5400	6530	9250-10000 [uu]	9000-10000
I		..	..	..	..	..	933	336	645	..	..	..	..
E		..	..	..	..	..	210	174	191	..	..	..	..
Edible vegetable oil . . P		819	919	999	1160	1280	1168	1530	1659	1400	1840	1975 [uu]	..
I		..	..	..	..	..	195	96	46	..	..	..	..
E		..	..	..	..	..	24	56	48	..	..	..	..
Fabrics, leather and shoes													
Cotton fabrics. . . . . P	Million sq.m.	2991	..	..	4088	4324	4566	4285	4389	4550 [o]	..	..	..
P	Million metres	3899	4768	5044	5285	5590	5905	5452	5595	5800	7270	7750-8000	..
I		—	..	..	—	—	16	22	9	..	..	..	..
E		..	..	..	..	..	139	115	178	..	..	..	..
Woollen fabrics . . . . P		155	176	191	209	243	252	268	283	303	363	500	550-650
I		..	..	..	..	..	10.8	17.6	15.2	..	..	..	..
Sole and similar leather P	Thousand tons	60.2	..	..	..	..	84.8	..	..	..	..	..	..
I		..	..	..	..	..	1.10	0.28	1.49	..	..	..	..
Leather shoes . . . . . P	Million pairs	203	240	238	239	258	274	286	317	356	(455) [v]	515	600-700
I		..	..	..	..	..	0.9	11.4	11.8	..	..	..	..
E		..	..	..	..	..	0.3	0.2	0.2	..	..	..	..
Rubber shoes . . . . . P		110	123	133	112	116	131	141	..	..	(455) [v]	..	..
I		..	..	..	..	..	—	1.3	0.6	..	..	..	..
E		..	..	..	..	..	0.5	0.7	0.9	..	..	..	..
Metal-made consumers' goods													
Radio sets . . . . . P	Thousand	1071	1233	1295	1640	2894	3530	3772	3554	3900	7700	..	..
E		..	..	..	..	..	46	13	15	..	..	..	..
Television sets. . . . . P		11.9	25.3	37.4	84.1	254	495	596	709	1000	2500	..	..
I		..	..	..	..	..	—	—	—	..	..	..	..
E		..	..	..	..	..	—	16	89	..	..	..	..
Domestic sewing machines P		502	668	805	993	1281	1611	1914	2300	2700	2780	..	..
I		..	..	..	..	..	66	121	155	..	..	..	..
E		..	..	..	..	..	11	13	12	..	..	..	..
Domestic refrigerators . P	Thousand	1.2	15.0	31.1	49.2	94.0	151.4	224.0	308.7	360	635	..	..
E		..	..	..	..	..	0.6	3.0	7.5	..	..	..	..
Bicycles . . . . . P		649	1157	1650	1903	2384	2884	3120	3318	3700 [w]	4230	..	..
I		..	..	..	..	..	—	—	—	..	..	..	..
E		..	..	..	..	..	13.7	30.9	237.7	..	..	..	..
Motor-cycles . . . . . P		123.1	125.1	104.4	143.3	205.9	244.5	297.0	334.0	400	395	..	..
I		..	..	..	..	..	—	—	—	..	..	..	..
E		..	..	..	..	..	6.5	7.3	15.0	..	..	..	..

Sources: See " Notes to the statistics ".

NOTES. — Production series (A) and (B) refer to the same output in different units of quantity in order to permit international comparisons on the one hand and comparisons with the national foreign trade statistics on the other. The targets for 1960 as planned in 1956 (shown in the table) have since been revised in the framework of the 1959-1965 Plan, but details of this revision have not been released.

a Combined total for steam, gas and hydro turbines.

b Imports only of generators for hydro-turbines.

c Electric motors only of alternating current. Coverage is wider than in earlier years.

d Plan for 1965 for rolling-mill equipment 200,000-220,000 tons. Production in 1957, 90,000 tons, in 1958, 85,000 tons.

e Further information on foreign trade available only in terms of value. For some items see Appendix Table XIII.

ee Planned increase of production in value terms from 1.1 billion roubles in 1958 to 3.5-3.7 billion roubles in 1965.

f Output of textile machinery is to rise from 1.1 billion roubles in 1958 to 2.5 billion roubles in 1965.

g Combined total planned for electric and diesel locomotives: 2,550-2,700.

h Including motor buses.

hh Combined total planned for all types of motor vehicles: 750,000-856,000.

i Average for 1959-1965.

j Hard-coal equivalent.

k Ton for ton.

l Moisture content 6 per cent.

m In terms of dressed ore (65 per cent of ore).

n Including rolled products in imports and exports. Planned increase in production from 1958 to 1965 by 90 per cent of copper and by 180-200 per cent of aluminium.

o Na_2CO_3.

p Commercial weight.

q Production of nitrogenous fertilizer in terms of sulphate of ammonia, phosphorus fertilizers 19 per cent P_2O_5 content, potash fertilizers 41.6 per cent K_2O content. Imports and exports — commercial weight.

r Enterprises administered by Ministry of Chemical Industry.

s Staple fibre, rayon, and synthetic fibre. Planned increase of production from 1958 to 1965 by 300 per cent.

ss Planned increase of production from 1958 to 1965 by 600 per cent.

t Slaughter weight. Product of state enterprises only. The plan for 1965 has a different coverage; corresponding figure for 1958: 2,863 thousand tons. Imports and exports include meat products.

u Imports and exports include raw sugar.

uu Corresponding figures for 1958: 5,256 thousand tons for refined sugar and 1,225 thousand tons for edible vegetable oil.

v All footwear.

w Including power-assisted bicycles.

y Million roubles expressed in foreign trade currency units.

TABLE VIII

Net domestic product and foreign trade

Index numbers of volume — 1950 = 100

	1950	1951	1952	1953	1954	1955	1956	1957	1958
Bulgaria									
Net domestic product	100	128	125	149	146	161	167	180	193
Exports	100	103	137	163	188	184	284	316	(317) *
Imports	100	93	111	145	147	138	172	239	(257) *
Ratio of imports to net domestic product	100	73	89	97	101	86	103	132	133
Czechoslovakia									
Net domestic product	100	110	121	128	133	148	156	168	181
Exports	100	101	110	130	136	164	194	196	209
Imports	100	116	119	128	141	156	176	207	203
Ratio of imports to net domestic product	100	105	98	100	106	105	113	123	112
Eastern Germany									
Net domestic product	100	119	129	135	151	162	166	182	197 *
Exports	..	..	..	..	..	274 *	288 *	360 *	375 *
Imports	..	..	..	..	..	236 *	265 *	317 *	368 *
Ratio of imports to net domestic product	..	..	..	..	..	146 *	160 *	174 *	187 *
Hungary									
Net domestic product	100	117	115	130	125	136	121	146	153
Exports	100	108	138	180	192	232	193	209 *	330 *
Imports	100	106	127	152	167	169	144	267 *	251 *
Ratio of imports to net domestic product	100	91	110	117	134	124	119	183 *	164 *
Poland									
Net domestic product	100	107	114	126	139	151	164	177	188
Exports	100	94	94	107	120	125	123	112	134
Imports	100	114	110	109	128	132	128	150	152
Ratio of imports to net domestic product	100	106	96	87	92	87	78	85	81
Rumania									
Net domestic product	100	131	137	158	157	192	178	205	(205) *
Exports	..	..	..	..	..	184 *	184 *	174 *	182 *
Imports	..	..	..	..	..	155 *	133 *	168 *	172 *
Ratio of imports to net domestic product	..	..	..	..	..	81 *	75 *	82 *	84 *
Soviet Union									
Net domestic product	100	112	125	136	153	171	192	204	222
Exports	..	..	..	..	..	174 *	178 *	210 *	..
Imports	..	..	..	..	..	189 *	221 *	233 *	..
Ratio of imports to net domestic product	..	..	..	..	..	111 *	115 *	114 *	..

Sources : See "Notes to the statistics ".

NOTE. — Index numbers of net domestic product are official estimates of national product excluding services. The estimates of export and import volumes for eastern Germany, Rumania (except for machinery imports) and the Soviet Union are of a highly tentative nature. They are based on the assumption that export and import prices in these countries in 1950 and after 1955 moved parallel with prices in world trade; they have been obtained by applying price indices of world exports and imports in the best available commodity detail to national statistics of trade at current prices (see also " Notes to the statistics ").

TABLE IX

Foreign trade and net domestic product in Hungary, 1950 to 1958

Billions of forints, and percentages (in italics)

	1950	1951	1952	1953	1954	1955	1956	1957	1958
Imports at current foreign trade prices	3.7	4.3	5.0	5.3	5.6 5.6	5.7	5.1 *	7.6	6.8
Imports at plan prices of 1949 or 1954	5.5	5.8	7.0	8.3	9.2 10.7	10.8	9.2	17.1 *	16.1 *
Exports at current foreign trade prices	3.9	4.3	4.7	5.4	5.4 5.4	6.2	5.2 *	5.4	7.3
Exports at plan prices of 1949 or 1954	6.2	6.7	8.6	11.2	11.9 16.9	20.4	17.0	18.4 *	29.1 *
Net domestic product at plan prices of 1949 or 1954	45.5	53.2	52.2	59.0	56.7 85.5	93.1	83.1	100.5	105.1
Imports as a percentage of net domestic product	*12.1*	*10.9*	*13.4*	*14.1*	*16.3* *12.5*	*11.6*	*11.1*	*17.0* *	*15.3* *
Exports as a percentage of net domestic product	*13.7*	*12.6*	*16.4*	*19.0*	*20.9* *19.8*	*21.9*	*20.5*	*18.3* *	*27.7* *

Sources : Adatok és adalékok a népgazdaság fejlödésének tanulmanyozásához, 1949-1955, Budapest, 1957, p. 293 (trade in 1950-1955 at current foreign trade prices); *Statisztikai évkönyv*, 1956, p. 183 (for deducting re-exports in 1956); *Külkereskedelem*, No. 1, p. 1 (trade in 1957, 1958); *Statisztikai évkönyv, 1949-1955*, p. 39; and *Statisztikai zsebkönyv*, 1958, p. 49 (net domestic product, and net export subsidies and in 1957 import surplus at plan prices, 1950-1957); official reply to the United Nations Questionnaire for the *World Economic Survey* (net domestic product and for estimating exports and imports at domestic prices in 1958); *Adatok és adalékok*, p. 289 (trade in 1950-1954 at 1949 plan prices); *Népgazdasági mérlegek, reáljövedelmek*, 1956, pp. 83-85, 89 (trade in 1955 and 1956 at current domestic prices, net subsidies and export surplus in 1955 and 1956 at current and 1954 plan prices for deriving trade at 1954 domestic prices).

NOTE. — Imports c.i.f.; exports f.o.b., excluding re-exports.

TABLE X

Exports and imports by area

Millions of dollars at current prices

	Exports					Imports				
	1950	1953	1955	1957	1958	1950	1953	1955	1957	1958
Bulgaria										
Soviet Union	66	105	107	200	..	78	97	89	175	..
Other eastern European countries	40	63	88	111	..	42	72	74	88	..
Asian countries in eastern trade area	—	7	9	11	..	—	5	4	14	..
Western Europe	15	27	22	38	..	20	23	25	50	..
Rest of world	3	4	4	10	..	1	3	3	5	..
Total	124	206	230	370	370	141	200	195	332	357
Czechoslovakia										
Soviet Union	198	321	403	398	497	189	344	365	536	452
Other eastern European countries	215	389	333	363	413	158	294	319	356	392
Asian countries in eastern trade area	14	65	67	104	130	14	55	62	74	98
Western Europe	230	152	207	292	269	195	124	181	276	275
Rest of world	122	66	166	201	204	83	62	126	145	140
Total	779	993	1 176	1 358	1 513	639	879	1 053	1 387	1 357
Eastern Germany										
Soviet Union	154	434	516	810	847	194	458	422	736	694
Other eastern European countries	123	262	315	423	421	158	239	319	319	353
Asian countries in eastern trade area	—	67	107	118	146	—	53	87	95	112
Western Europe	127	185	284	370	387	116	216	303	364	425
Rest of world	2	20	56	90	89	2	17	42	102	96
Total	406	968	1 278	1 811	1 890	470	983	1 173	1 616	1 680
Hungary										
Soviet Union	95	187	153	106	157	77	142	99	237	194
Other eastern European countries	122	175	208	170	231	102	169	163	216	206
Asian countries in eastern trade area	—	34	40	32	62	—	34	29	32	34
Western Europe	91	81	157	144	186	116	112	204	173	160
Rest of world	21	26	51	36	44	21	14	39	25	36
Total	329	503	609	488	680	316	471	534	683	630
Poland										
Soviet Union	154	274	281	259	265	194	268	314	422	334
Other eastern European countries	200	261	249	251	243	212	262	251	295	310
Asian countries in eastern trade area	6	31	35	50	77	2	27	35	43	41
Western Europe	242	223	265	327	339	200	167	255	315	374
Rest of world	28	42	84	88	135	60	50	77	175	168
Total	630	831	914	975	1 059	668	774	932	1 250	1 227
Rumania										
Soviet Union	128 *	189 *	187 *	176 *	..	114 *	153 *	192 *	199 *	..
Other eastern European countries	64 *	112 *	124 *	88 *	..	80 *	154 *	104 *	109 *	..
Asian countries in eastern trade area	—	3 *	12 *	30 *	..	—	6 *	9 *	10 *	..
Western Europe	13 *	28 *	48 *	80 *	..	43 *	62 *	55 *	71 *	..
Rest of world	2 *	9 *	20 *	16 *	..	8 *	10 *	24 *	26 *	..
Total	207 *	341 *	391 *	390 *	430 *	245 *	385 *	384 *	415 *	415 *
Total of six countries										
Soviet Union	795	1 510	1 647	1 949	..	846	1 462	1 481	2 305	..
Other eastern European countries	764	1 262	1 317	1 406	..	752	1 190	1 230	1 383	..
Asian countries in eastern trade area	20	207	270	345	..	16	180	226	268	..
Western Europe	718	696	983	1 251	..	690	704	1 023	1 249	..
Rest of world	178	167	381	441	..	175	156	311	478	..
Total	2 475	3 842	4 598	5 392	5 942	2 479	3 692	4 271	5 683	5 666
Soviet Union										
Other eastern European countries	1 000	..	1 792	2 550	..	852	..	1 663	1 915	..
Asian countries in eastern trade area	500	..	915	682	..	273	..	783	854	..
Western Europe	200 *	..	553 *	768	..	250 *	..	444 *	695	..
Rest of world	95 *	..	209 *	382	..	81 *	..	171 *	474	..
Total	1 795	..	3 469	4 382	..	1 456	..	3 061	3 938	..

Sources : See " Notes to the statistics ".

NOTE. — For notes, see Table 2.

TABL

Exports and imports of Bulgaria by commodity grou

Values in millio

Commodity groups or commodities	Unit	Total World			Eastern Europe			Soviet Union			Asian countries in eastern trade area			European Economic Community			Other European countries			Rest of the World and unspecified		
		1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956
										EXPORTS											
I. Machinery and equipment for production (including spare parts)																					
Metal-cutting machine tools	Million dollars	0.06	0.07	0.15	—	(0.01)[a]	..	—	—	..	—	—	..	—	—	..	(0.02)	(0.02)[a]	..	(0.01)[a]	(0.01)[a]
Power and electro-technical equipment		0.07	1.91	4.85	—	(1.76)[b]	..	—	—	..	—	—	..	—	—	..	—	—	..	—	—
Tractors and agricultural machinery		0.03	1.18	5.29	—	(0.09)[c]	..	—	—	..	(0.22)[c]	(0.59)[c]	—	—	—	..	—	—	..	—	(0.01)[c]
of which : Tractor ploughs	*Unit*	*293*	*796*	..	*1*	*201*	..	—	—	..	*292*	*553*	..	—	—	..	—	—	..	—	*42*
Railway rolling stock and lifting equipment	Million dollars	—	0.59	8.97	—	..	..	—	..	..	—	..	..	—	..	..	—	..	..	—	..
Ships and harbour equipment, etc.		5.4	6.5	5.7	*5.4*[d]	..	..	..	..	..	..	..	..	—	..	..	—	..	..	—	..
Total of I (as above)		7	12	28	6[d]	12[d]	19[de]	..	..	..	..	..	..	..	..	..	—	—	—	1	—
II. Fuels and raw materials (except for food industry)																					
Coal, crude petrol and petroleum products		2.2	6.3	6.9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which : Brown coal	*Thousand tons*	—	*192*	..	—	*192*	..	—	—	..	—	—	..	—	—	..	—	—	..	—	—
Iron ore		120	156	..	117	156	..	—	—	..	—	—	..	—	—	..	—	—	..	3	—
Ferrous metals and products	Million dollars	1.8	5.7	4.6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Non-ferrous metals, alloys and products		4.6	14.4	9.9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which : Copper	*Thousand tons*	*3.3*	*4.5*	*3.9*[e]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Zinc		*1.4*	*3.2*	*2.2*[e]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Non-metallic minerals		64.8	63.6	..	45.9	52.2	..	12.1	2.9	..	—	—	..	—	—	..	—	—	..	6.8	8.5
Chemicals, fertilizers and pesticides	Million dollars	4.6	4.0	4.2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which : Sulphuric acid	*Thousand tons*	*1.9*	—	*1.1*	*1.9*	—	..	—	—	..	—	—	..	—	—	..	—	—	..	—	—
Soda ash		*34.7*	*31.2*	..	*27.1*	*22.7*	..	*5.0*	*5.0*	..	—	—	..	—	—	..	—	—	..	*2.6*	*3.5*
Nitrogenous fertilizers		*20.2*	*11.4*	..	*9.2*	*5.4*	..	—	—	..	*7.2*	*4.9*	..	—	—	..	*2.7*	*0.5*	..	*1.1*	*0.6*
Building materials	Million dollars	3.5	4.4	4.1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which : Cement	*Thousand tons*	*161*	*233*	..	—	*20*	..	*100*	*147*	..	—	—	..	—	—	..	*12*	*1*	..	*49*	*64*
Timber	*Million cu. m.*	*11.7*	*23.2*	*14.0*[e]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Plywood, veneers and parquet	*Million dollars*	*1.54*	*1.84*	..	*0.29*	*0.47*	..	*1.14*	*1.20*	..	—	—	..	—	—	..	—	—	..	*0.11*	*0.17*
Textile raw materials and semi-finished products		7.5	2.4	0.7[e]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hides and skins	Thousand sq. m.	91.6	127.1	29.4[e]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unmanufactured tobacco	Thousand tons	27.3	46.1	..	6.6	6.7	..	16.1	29.7	..	—	—	..	2.8	2.5	..	0.5	0.6	..	1.3	6.6
Castor, menthol and rose oils	Million dollars	2.7	2.5	..	0.6	0.6	..	1.2	1.0	..	—	—	..	0.7	0.5	..	0.1	0.1	..	0.1	0.3
Total of II (as above)		108	169	148	96[d]	150[d]	83[de]	..	..	..	..	..	..	..	..	..	11[f]	15[f]	15[ef]	1	4
III, IV. Live animals and food																					
Unprocessed food	Million dollars	20.4	17.1	6.6[e]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which : Wheat and maize	*Thousand tons*	*100*	*102*	..	*68*	*23*	..	—	*1*	..	—	—	..	—	*6*	..	*27*	*18*	..	*5*	*54*
Live animals for slaughter	*Million dollars*	*0.9*	*1.3*	*0.7*[e]	*0.4*[d]	*0.7*[d]	*0.2*[de]	..	..	..	..	..	..	..	..	..	*0.5*[f]	*0.6*[f]	*0.4*[ef]	—	..
Sheep	*Thousand head*	*1.0*	*1.0*	..	*1.0*	*1.0*	..	—	—	..	—	—	..	—	—	..	—	—	..	—	—
Pigs		*15.3*	*15.8*	..	*7.3*	*7.3*	..	—	—	..	—	—	..	—	—	..	*8.0*	*8.5*	..	—	—
Sunflower seeds	*Thousand tons*	*18.5*	*15.2*	..	*0.4*	*2.7*	..	—	—	..	—	—	..	*0.5*	*4.2*	..	*11.6*	*8.3*	..	*6.0*	—
Rice		*8.8*	*6.9*	..	*6.0*	*4.6*	..	*2.0*	—	..	—	—	..	—	—	..	—	—	..	*0.8*	*2.3*
Processed food	Million dollars	59.2	81.6	51.6[e]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which : Meat and meat products	*Thousand tons*	*18.6*	*20.1*	*12.2*	*5.8*	*8.4*	..	*11.9*	*11.3*	..	—	—	..	*0.2*	*0.3*	..	*0.3*	—	—	*0.4*	*0.1*
Eggs	*Million*	*255*	*282*	*232*	*66*	*65*	..	*100*	*103*	..	—	—	..	*51*	*79*	..	*23*	*24*	..	*15*	*11*
Fresh vegetables and tomatoes	*Thousand tons*	*89.7*	*112.1*	..	*62.3*	*81.1*	..	*4.7*	—	..	—	—	..	*16.2*	*24.0*	..	*4.9*	*4.9*	..	*1.6*	*2.1*
Tomato purée		*8.8*	*14.4*	..	*0.4*	*1.5*	..	*8.4*	*12.1*	..	—	—	..	—	—	..	—	—	..	—	*0.8*
Fresh fruit		*38.2*	*85.8*	..	*26.3*	*57.7*	..	*9.1*	*18.1*	..	—	—	..	*2.5*	*6.1*	..	*0.1*	*0.1*	..	*1.2*	*3.8*
Fruit pulp		*15.9*	*39.0*	*26.8*	*2.3*	*2.3*	..	*13.3*	*34.2*	..	—	—	..	—	*0.5*	..	—	*1.0*	..	*0.3*	*1.0*
Total of III, IV (as above)	Million dollars	80	99	92	68[d]	81[d]	44[de]	..	..	..	..	..	..	..	..	..	10[f]	16[f]	13[ef]	2	2
V. Other products for consumption (excluding food)																					
Wood materials and products, including matches	Million dollars	2.8	3.2	4.4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Cotton, woollen and other fabrics (including industrial clothes)		21.5	35.3	71.8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Finished fur skins		1.6	2.6	3.2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Leather and products		1.9	3.1	7.5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Tobacco products		4.0	7.9	11.2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Pharmaceutical products and drugs		0.3	0.5	0.5[e]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total of V (as above)		35	59	102	34[d]	54[d]	63[de]	..	..	..	..	..	..	..	..	..	1[f]	3[f]	3[ef]	—	2
TOTAL EXPORTS	Million dollars	**230**	**339**	**370**	**88**	**117**	**79**[e]	**107**	**170**	**123**[e]	**9**	**10**	**7**[e]	**9**	**16**	**15**[e]	**13**	**18**	**16**[e]	**4**	**8**

Sources : See "Notes to the statistics".

[a] Geographical distribution refers to lathes.

[b] Geographical distribution refers to electric motors.

[c] Geographical distribution refers to tractor drills and tractor ploughs.

[d] All eastern trade

by areas of destination and origin, 1955 to 1957

current dollars, or quantities

Commodity groups or commodities	Unit	Total World			Eastern Europe			Soviet Union			Asian countries in eastern trade area			European Economic Community			Other European countries			Rest of the World and unspecified		
		1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957
										IMPORTS												
Machinery and equipment for production (including spare parts)																						
...-cutting machine tools	Million dollars	1.0	1.0	1.0	(0.19)[a]	(0.12)[a]	..	(0.03)[a]	(0.04)[a]	..	—	—	..	(0.04)[a]	(0.04)[a]	..	—	—	..	(0.03)[a]	(0.04)[a]	..
...ging and pressing equipment		0.1	0.9	0.4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...ver and electro-technical equipment		13.8	17.1	12.7	(0.3)[b]	(0.3)[b]	..	(0.1)[b]	(0.2)[b]	..	—	—	..	(0.1)[b]	(0.1)[b]	..	..	..	..	(0.1)[b]	..	..
...ipment for chemical, food, wood-processing industry,																						
...construction and other industries		8.8	7.9	6.9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...ipment for complete enterprises		9.4	6.8	9.9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...ing, oil drilling and oil refining equipment		2.8	2.9	1.0	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...ic machinery		0.5	1.4	1.5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...ruments, laboratory and medical equipment, bearings,																						
...instruments, etc.		5.7	6.6	6.0	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...tors and agricultural machinery		11.2	20.0	10.2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which: Tractors	*Unit*	*2100*	*5058*	*1734*	*570*	*1957*	..	*1519*	*3085*	..	—	—	..	*5*	*5*	..	*1*	*4*	..	*5*	*7*	..
...r transport and garage equipment	Million dollars	11.4	10.4	17.8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...and harbour equipment, etc.		—	2.8	3.7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total of I (as above)		77	105	99	73[d]	98[d]	58[de]	..	..	..	..	..	..	..	..	..	4[f]	7[f]	5[ef]	—	—	..
...uels and raw materials (except for food industry)																						
..., petroleum and petroleum products		12.8	15.9	23.2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which: Coke	*Thousand tons*	*55*	*44*	*160*	*37*	*22*	..	*18*	*22*	..	—	—	..	—	—	..	—	—	..	—	—	..
Crude petroleum and products		*372*	*451*	*576*	*206*	*237*	..	*118*	*154*	..	—	—	..	—	—	..	—	—	..	[illegible]	*60*	..
...um		70	121	110	—	5	..	70	99	..	—	10	..	—	5	..	—	—	..	—	2	..
...rous metals and products		142	167	..	39	42	..	[illegible]	[illegible]	..	—	—	..	11	10	..	[illegible]	7	..	3	10	..
...-ferrous metals, alloys and products	Million dollars	9.4	10.0	9.0	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which: Copper	*Thousand tons*	*6.2*	*7.4*	*3.8[e]*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Zinc		*2.7*	*0.3*	*0.2[e]*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Aluminium		*0.8*	*1.6*	*1.4[e]*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...icals, fertilizers, rubber and pesticides	Million dollars	16.9	20.9	31.2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which: Caustic soda	*Thousand tons*	*2.1*	—	—	—	—	..	*0.6*	—	..	—	—	..	—	—	..	*0.8*	—	..	*0.7*	—	..
Fertilizers		*49.4*	*105.1*	*147.0*	*28.1*	*40.1*	..	*14.1*	*30.5*	..	—	—	..	*7.2*	*24.4*	..	—	*7.0*	..	—	*3.1*	..
Natural and synthetic rubber		*3.5*	*5.7*	*[illegible].2*	—	—	..	*1.9*	*2.8*	..	*1.1*	*2.4*	..	—	—	..	*0.5*	*0.5*	..	—	—	..
Coal-tar dyes	*Ton*	*572*	*448*	..	*275*	*183*	..	*117*	*74*	..	—	—	..	*43*	[illegible]	..	*105*	*138*	..	*32*	[illegible]	..
...ing materials	Million dollars	1.0	1.5	2.0	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...ulose, paper and cardboard		6.9	8.3	9.1	(0.5)[g]	(0.5)[g]	..	(3.7)[g]	(4.0)[g]	..	—	—	..	—	(0.1)[g]	..	(0.6)[g]	(1.3)[g]	..	—	—	..
...le raw materials and semi-finished products		14.6	23.2	34.4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which: Cotton fibres	*Thousand tons*	*8.5*	*12.2*	*18.3*	—	—	..	*6.5*	*4.8*	..	*1.8*	*0.6*	..	—	—	..	—	—	..	*0.2*	*6.8*	..
Wool		*0.7*	*1.7*	*1.8[e]*	—	—	..	—	—	..	—	—	..	*0.2*	*0.5*	..	*0.5*	*0.9*	..	—	*0.3*	..
Artificial fibres		*3.6*	*6.4*	*8.1*	*2.3*	*2.5*	..	—	—	..	—	—	..	*0.1*	*1.1*	..	*0.3*	*0.5*	..	*0.9*	*2.3*	..
...ns and skins	Thousand sq. m.	..	4.2	7.6[e]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total of II (as above)	Million dollars	102	129	173	[illegible]*d*	94[d]	98[de]	..	..	..	..	..	..	..	..	..	17[f]	28[f]	31[ef]	2	7	7[e]
..., IV. Live animals and food																						
...essed food		5.6	1.8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which: Grain	*Thousand tons*	*61*	[illegible]	*178*	*42*	..	..	..	..	..	..	..	..	..	..	..	*5[f]*	..	..	*14*	..	..
Live animals for slaughter	*Million dollars*	*0.6*	*0.3*	*0.3*	*0.4[d]*	*0.2[d]*	*0.2[de]*	..	..	..	..	..	..	..	..	..	*0.2[f]*	*0.1[f]*	*0.1[ef]*	—	—	—
Natural coffee	*Ton*	[illegible]	..	..	*30[d]*	..	..	..	..	..	..	..	..	..	..	..	*10[f]*	..	..	—	..	..
Cocoa beans		*120*	..	..	—	..	..	—	—	..	—	—	..	..	..	..	*120[f]*	..	..	—	..	..
Tea		[illegible]	..	..	*200[d]*	..	..	..	..	..	..	..	..	—	..	..	—	..	..	—	..	..
...ed food	Million dollars	2.8	2.6	3.0[e]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which: Meat and meat products	*Thousand tons*	*1.1*	..	..	—	..	..	..	..	..	..	..	..	—	..	..	—	..	..	*1.1*	..	..
Total of III, IV (as above)	Million dollars	8	4	22	5[d]	2[d]	16[de]	..	..	..	..	..	..	..	..	..	2[f]	2[f]	2[ef]	1	—	1[e]
Other products for consumption (excluding food)																						
..., woollen and other fabrics (including industrial clothing)		0.1	0.6	22.8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...aceutical products and drugs		1.5	1.7	1.2[e]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...made consumers' goods (including electric installations etc.)		2.1	3.4	8.1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total of V (as above)		8	10	[illegible]	6[d]	8[d]	27[de]	..	..	..	..	..	..	..	..	..	1[f]	2[f]	2[ef]	1	—	—
TOTAL IMPORTS	Million dollars	195	248	332	74	[illegible]	61[e]	89	104	133[e]	4	5	5[e]	9	17	23[e]	15	22	17[e]	4	7	8[e]

...ary-September.

[f] All western Europe.

[g] Geographical distribution refers to cellulose and newsprint.

TAB

Exports and imports of Hungary by commodity gro by ar

Values in millions ent dolla

Commodity groups or commodities	Unit	Total World			Eastern Europe			Soviet Union			Asian countries in eastern trade area			Western and northern Europe [a]			Other European countries [b]			Rest of the W and unspecif		
		1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	
I. Machinery and equipment for production (including spare parts)										**EXPORTS**												
Metal-cutting machine tools	Million dollars	11.0	10.0	11.6	0.3	0.5	1.9	5.7	5.7	4.5	0.7	1.1	2.5	0.8	0.8	0.5	0.6	1.0	1.3	2.9	0.9	
Forging-pressing equipment		0.7	0.8	1.1	—	0.1	0.2	0.5	0.6	0.6	—	—	—	—	—	—	—	—	0.3	0.2	0.1	
Power equipment		24.8	16.5	20.6	3.6	1.9	1.6	18.9	10.6	13.0	1.9	2.7	2.9	—	—	—	—	0.2	0.8	0.4	1.1	
Equipment for chemical industry		1.7	1.2	2.1	0.5	0.3	0.2	1.1	0.8	1.4	0.1	0.1	0.1	—	—	0.1	—	—	0.3	—	—	
Equipment for food and light industry		0.7	0.7	0.6	0.3	0.6	0.2	—	—	0.1	0.1	—	—	—	—	—	0.2	—	0.2	0.1	0.1	
Equipment for complete enterprises		2.6	3.1	2.8	0.5	0.6	0.9	—	—	—	1.7	2.4	1.9	—	—	—	—	—	—	0.4	0.1	
Other industrial equipment		26.4	19.8	32.1	5.4	6.9	15.8	10.9	3.5	6.3	4.7	6.1	4.8	0.5	0.8	0.6	1.1	0.7	2.5	3.8	1.8	
Total industrial equipment		67.9	52.1	70.9	10.6	10.9	20.8	37.1	21.2	25.9	9.2	12.4	12.2	1.3	1.6	1.2	1.9	1.9	5.4	7.8	4.1	
Apparatus, laboratory and medical equipment, bearings, instruments, etc.		10.2	9.4	16.9	3.3	3.9	3.9	2.2	1.8	6.8	2.6	2.0	2.5	0.1	0.2	0.2	0.7	0.7	2.2	1.3	0.8	
Tractors and agricultural machinery		9.6	14.8	18.6	7.1	8.6	4.8	—	—	1.1	2.1	5.3	9.5	—	—	0.1	0.3	0.2	2.6	0.1	0.7	
of which : Tractors	*Million dollars*	*2.4*	*3.5*	*5.4*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
	Thousand	*0.4*	*1.3*	*1.0*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Lifting and conveying equipment	Million dollars	11.4	8.7	10.4	1.0	0.1	0.7	9.1	8.1	8.2	0.8	0.2	0.2	—	—	—	0.2	0.3	1.2	0.3	—	
Railway rolling stock		40.3	27.5	24.1	5.7	4.5	1.3	28.8	19.2	15.7	2.1	0.2	0.4	—	—	—	1.0	0.1	1.2	2.7	3.5	
Motor transport and garage equipment		21.8	23.7	32.3	11.4	10.0	17.5	0.3	4.8	4.0	7.8	5.2	2.4	0.6	0.2	0.1	0.9	1.8	7.2	0.8	1.7	
of which : Motor trucks and dumpers	*Million dollars*	*8.5*	*9.4*	*11.4*	*2.5*	*3.0*	*4.5*	—	—	—	*4.7*	*3.6*	*1.5*	*0.4*	*0.1*	..	*0.1*	*1.5*	*3.8*	*0.8*	*1.2*	
	Thousand	*2.4*	*2.3*	*2.8*	*0.6*	*0.7*	*1.1*	—	—	—	*1.5*	*0.9*	*0.4*	*0.1*	—	..	—	*0.3*	*1.0*	*0.2*	*0.4*	
Ships and harbour equipment, etc.	Million dollars	19.8	16.8	17.8	0.9	—	—	17.5	15.9	16.3	1.4	0.7	0.8	—	—	0.4	—	—	0.2	—	0.2	
Total of I (as above)		181	153	191	40	38	49	95	71	78	26	26	28	2	2	2	5	5	20	13	11	
II. Fuels and raw materials (except for food industry)																						
Electric power		0.2	0.2	—	0.2	0.2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Fuels		37.0	12.6	25.5	20.0	5.6	11.5	5.6	2.9	2.2	0.6	0.7	0.4	3.9	1.7	6.0	6.2	1.4	5.2	0.7	0.3	
of which : Coal	*Thousand tons*	*527*	*216*	*31*	*458*	*179*	..	*26*	*26*	..	—	—	—	..	..	..	*43 c*	*9 c*	..	—	*2*	
Crude petroleum		*156*	*82*	—	*92*	*24*	—	—	—	—	—	—	—	..	..	—	*64 c*	*58 c*	—	—	—	
Petroleum products		*256*	*173*	*251*	*113*	*59*	..	*11*	*10*	..	*8*	*6*	..	..	..	..	*84 c*	*67 c*	..	*40*	*31*	
Ores, minerals, metals (including semi-finished products)	Million dollars	37.6	31.1	18.9	9.6	8.9	13.1	9.9	9.3	0.2	2.4	1.6	1.1	5.6	5.9	1.8	3.7	2.7	1.4	6.4	2.7	
of which : Rolled ferrous metals	*Thousand tons*	*105*	*99*	*88*	*29*	*43*	*72*	*14*	*8*	*1**	*5*	*6*	*5*	..	..	..	*33 c*	*31 c*	*7*c*	*24*	*11*	
Aluminium (including rolled products)		*22*	*17*	*6*	*1*	—	*4**	*10*	*12*	—	—	—	—	..	..	..	*8 c*	*2 c*	*1*c*	*3*	*3*	
Chemicals, fertilizers, rubber	Million dollars	2.5	2.1	1.8	1.2	0.4	0.1	—	—	—	—	—	—	—	—	—	0.7	1.5	1.0	0.6	0.2	
of which : Sulphuric acid	*Thousand tons*	*19.9*	*7.4*	*7.0*	*11.0**	*5.3**	*2.8**	—	—	—	—	—	—	..	..	..	*8.9*c*	*2.1*c*	*3.2*c*	—	—	
Caustic soda		—	*0.9*	*6.5*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	*0.9*	
Superphosphate		*27.3*	*25.5*	*22.4*	*22.8*	*10.1*	*2.0**	—	—	—	—	—	—	..	..	..	*4.5c*	*15.4c*	*20.4c*	—	—	
Nitrogenous fertilizer		*18.2*	*22.6*	*6.2*	*1.6**	—	—	—	—	—	—	—	—	..	..	..	*5.3*c*	*22.6c*	*6.2c*	*11.3**	—	
Synthetic rubber		*0.2*	—	—	*0.2*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Cement	Million dollars	5.1	2.8	0.3	1.8	0.7	0.3	—	0.8	—	—	—	—	—	0.4	—	1.4	0.3	—	1.9	0.6	
	Thousand tons	292	190	25	150	60	25	—	65*	—	—	—	—	—	24*	—	62*	11*	—	80*	30*	
Textile raw materials and semi-finished products	Million dollars	1.9	1.9	0.9	1.9	0.7	0.7	—	—	—	—	—	—	—	1.2	0.2	—	—	—	—	—	
of which : Wool (washed)	*Thousand tons*	—	*0.6*	*0.2*	—	*0.1*	*0.1**	—	—	—	—	—	—	..	..	..	—	*0.5c*	*0.1*c*	—	—	
Artificial fibres and yarns		*2.7*	*0.3*	—	*2.7*	*0.3*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other raw materials of animal and vegetable origin	Million dollars	2.2	0.8	0.4	0.3	—	—	—	—	—	—	—	—	1.9	0.8	0.4	—	—	—	—	—	
of which : Hides (including pigskin)	*Thousand tons*	*4.1*	*1.2*	*0.3*	*0.7*	—	—	—	—	—	—	—	—	*3.4*	*1.2*	*0.3*	—	—	—	—	—	
Unmanufactured tobacco		*3.5*	*2.7*	*4.8*	..	—	..	*1.2*	*0.5*	..	—	—	—	..	..	..	..	..	..	*2.3*	*2.2*	
Other raw materials	Million dollars	58.5	62.5	58.2	25.0	27.5	26.3	4.5	3.0	5.6	2.0	1.7	1.5	17.6	18.0	12.6	3.0	6.1	4.4	6.4	6.2	
Total of II (as above)		145	114	106	60	44	52	20	16	8	5	4	3	29	28	21	15	12	12	16	10	

by areas of destination and origin, 1955 to 1957

ent dollars, or quantities

Commodity groups or commodities	Unit	Total World			Eastern Europe			Soviet Union			Asian countries in eastern trade area			Western and northern Europe [a]			Other European countries [b]			Rest of the world and unspecified		
		1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957
Machinery and equipment for production (including spare parts)										**IMPORTS**												
al-cutting machine tools	Million dollars	6.9	8.6	12.5	4.1	5.5	8.0	1.3	1.1	1.1	—	—	—	1.3	1.8	2.7	0.2	0.2	0.7	—	—	—
ging-pressing equipment		0.4	0.7	0.8	0.3	0.6	0.6	—	—	—	—	—	—	0.1	0.1	0.1	—	—	0.1	—	—	—
er equipment		6.4	8.0	6.7	6.4	7.8	6.3	—	—	—	—	—	—	—	0.2	0.3	—	—	0.1	—	—	—
ipment for chemical industry		0.6	0.3	1.1	0.2	0.2	0.9	—	—	—	—	—	—	0.4	0.1	0.2	—	—	—	—	—	—
ipment for food and light industry		5.3	3.8	5.1	4.2	3.4	4.2	0.1	—	0.1	—	—	—	0.9	0.4	0.8	0.1	—	—	—	—	—
ipment for complete enterprises		5.0	3.0	3.3	0.4	0.5	0.3	4.6	2.4	1.0	—	—	—	—	—	0.1	—	0.1	1.9	—	—	—
r industrial equipment		12.7	11.5	22.1	7.9	5.8	10.6	2.4	3.3	8.6	—	—	—	1.7	1.7	2.5	0.7	0.7	0.4	—	—	—
al industrial equipment		37.3	35.9	51.6	23.5	23.8	30.9	8.4	6.8	10.8	—	—	—	4.4	4.3	6.7	1.0	1.0	3.2	—	—	—
ratus, laboratory and medical equipment, rings, instruments, etc.		11.8	8.9	11.4	5.8	4.2	5.7	2.4	1.8	1.8	—	—	—	2.8	2.5	3.3	0.8	0.4	0.6	—	—	—
ors and agricultural machinery		7.0	4.6	4.9	6.2	3.0	3.8	0.7	1.6	0.9	—	—	—	0.1	—	0.2	—	—	—	—	—	—
of which : Tractors	*Million dollars*	*5.8**	*2.7**	..	*5.2*	*1.7*	..	*0.6**	*1.0**	..	—	—	—	—	—	—	—	—	—	—	—	—
	Thousand	*3.0*	*1.1*	*1.6*	*2.8*	*1.0*	*1.5*	*0.2*	*0.1*	*0.1*	—	—	—	—	—	—	—	—	—	—	—	—
way rolling stock	Million dollars	0.3	2.4	1.1	0.1	1.9	1.1	—	—	—	—	—	—	0.2	—	—	—	0.5	—	—	—	—
r transport and garage equipment		9.6	11.2	14.7	5.4	6.1	9.5	2.5	3.8	3.5	—	—	—	1.5	1.2	1.5	0.2	0.1	0.2	—	—	—
of which : Motor trucks	*Million dollars*	*1.3*	*3.5*	*1.9**	*0.3*	*1.5*	*1.6**	*1.0*	*2.0*	*0.3*	—	—	—	—	—	—	—	—	—	—	—	—
	Thousand	*0.6*	*1.9*	*1.5*	*0.3*	*1.3*	*1.4*	*0.3*	*0.6*	*0.1*	—	—	—	—	—	—	—	—	—	—	—	—
and harbour equipment, etc.	Million dollars	—	—	0.3	—	—	—	—	—	—	—	—	—	—	—	0.3	—	—	—	—	—	—
TAL OF I (as above)		66	63	84	41	39	51	14	14	17	—	—	—	9	8	12	2	2	4	—	—	—
Fuels and raw materials (except for food industry)																						
ric power	Million dollars	3.7	5.9	6.1	3.7	5.9	6.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
		52.3	58.6	118.6	32.2	36.6	49.4	12.1	17.6	60.7	—	—	—	5.9	0.6	0.3	1.8	2.9	3.2	0.3	0.9	5.0
of which : Coal	*Thousand tons*	*793*	*841*	*2427*	*782*	*654*	*960*	*11*	*148*	*1250*	—	*2*	..	—	—	—	—	*37*	..	—	—	*217*
Coke		*1237*	*1089*	*1089*	*586*	*650*	*605*	*385*	*425*	*484*	—	—	—	..	..	—	*266[c]*	*14[c]*	—	—	—	—
Crude petroleum		*232*	*325*	*1033*	*34*	*45*	*114*	*198*	*280*	*919*	—	—	—	—	—	—	—	—	—	—	—	—
Petroleum products		*106*	*176*	*216*	*52*	*124*	..	..	*40*	*61*	—	—	—	..	..	..	*24[c]*	*12[c]*	..	*30*	—	*155*
Fuelwood		*275*	*375*	*484*	*165*	*217*	..	..	..	..	—	—	—	..	..	..	*100*	*119*	..	*10*	*39*	..
minerals, ferrous metals (including semi-shed products)	Million dollars	46.0	40.9	60.4	8.7	7.5	11.7	22.1	19.8	32.1	0.8	1.5	1.1	9.5	7.2	9.3	4.9	4.9	5.2	—	—	1.0
of which : Iron ore	*Thousand tons*	*1354*	*1118*	*1308*	*30*	*2*	—*	*1265*	*1088*	*1165*	*42*	*8*	—	—	—	—*	*17*	*19*	*70*	—	—	*73**
Rolled ferrous metals (including pipes)		*72*	*61*	*127*	*15*	*17*	*14*	*1*	*9*	*82*	—	—	—	..	..	..	*56[c]*	*35[c]*	*31[c]*	—	—	—
errous metals	Million dollars	(17.9)[d]	(19.0)[d]	(25.2)[d]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which : Copper (including rolled products)	*Thousand tons*	*8.2*	*8.8*	*10.5*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Zinc		*7.1*	*7.1*	*6.0*	*7.1*	*7.1*	*6.0*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Lead		*5.8*	*7.8*	*7.4*	*0.7*	*0.1*	..	*2.2*	*4.9*	*5.2*	—	—	—	..	..	..	*2.5[c]*	*2.7[c]*	..	*0.4*	*0.1*	*2.2*
Aluminium (including rolled products)		*1.7*	*0.4*	*11.4*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
cals, fertilizers, rubber	Million dollars	17.9	17.3	25.6	6.3	5.3	6.0	2.4	2.1	4.2	0.1	0.3	3.1	5.6	7.4	6.1	1.3	2.2	6.2	2.2	—	—
of which : Caustic soda	*Thousand tons*	*30.2*	*30.7*	*40.7*	*14.3*	*17.2*	..	*3.4*	*3.2*	*10.0*	*2.0*	*4.2*	..	..	..	..	*10.0[c]*	*6.1[c]*	..	*0.5*	—	*30.7*
Superphosphate		—	—	*14.4*	—	—	..	—	—	..	—	—	—	—	—	..	—	—	..	—	—	..
Potash salts		*32.2*	*26.8*	*36.4*	..	..	..	..	..	..	—	—	—	..	..	..	..	..	..	..	..	..
Nitrogenous fertilizer		*28.3*	*32.4*	*169.6*	*7.9*	*1.8*	..	..	..	..	—	—	—	..	..	..	*13.2*	*29.5*	..	*7.2*	*1.1*	..
Natural and synthetic rubber		*11.0*	*11.2*	*13.3*	*2.4*	*2.5*	..	*1.3*	*1.0*	*3.6*	—	—	..	*3.5*	*7.7*	..	*0.5*	—	..	*3.3*	—	*9.7*
r and timber products (including cellulose paper)	Million dollars	38.8	36.8	42.7	17.8	11.0	8.0*	10.6	15.7	30.0*	—*	—*	—*	3.5	2.9	1.7*	5.5	4.2	2.0*	1.4*	3.0*	1.0*
raw materials and semi-finished products		68.2	56.2	55.2	1.4	2.2	4.3	24.9	21.8	24.7	3.3	3.3	4.8	18.4	15.4	15.2	2.8	2.0	1.4	17.4	11.5	4.8
of which : Cotton (ginned)	*Thousand tons*	*47.7*	*40.0*	*40.2*	*0.3*	*0.2*	..	*26.8*	*23.3*	*31.7*	*0.5*	*1.0*	..	..	..	..	*2.6[c]*	*2.0[c]*	..	*17.5*	*13.5*	*8.5*
Wool (washed)		*3.6*	*2.5*	*2.6*	—	—	*0.2*	—	—	—	*1.0*	*0.5*	*1.0*	..	..	..	*2.4[c]*	*1.5[c]*	*1.1[c]*	*0.2*	*0.5*	*0.3*
Artificial fibres and yarns		*11.1*	*11.5*	*8.9[c]*	*3.1*	*3.2*	*4.3**	—	—	—	—	—	—	..	..	..	*8.0[c]*	*8.3[c]*	*4.6*[c]*	—	—	—
raw materials of animal and vegetable origin	Million dollars	6.6	5.4	5.6	1.1	0.5	0.6	—	—	—	1.0	1.0	0.5	1.6	0.3	1.0	2.1	2.3	2.7	0.8	1.3	0.8
of which : Hides (including pigskin)	*Thousand tons*	*20.0*	*9.2*	*12.9*	*0.4*	—	—	—	—	—	..	..	..	..	..	..	*11.3[c]*	*3.2[c]*	*7.9[c]*	*8.3*	*6.0*	*5[c]*
Unmanufactured tobacco		*8.0*	*4.9*	*4.4*	*0.8*	*0.4*	..	—	—	..	*1.4*	*1.5*	..	..	..	..	*2.4[c]*	*2.0[c]*	..	*3.4*	*1.0*	*4.4*
raw materials	Million dollars	128.5[d]	109.9[d]	130.8[d]	32.8	27.0	35.9	11.9	15.0	28.3	11.8	11.9	9.5	48.5	33.2	32.4	17.6	20.5	20.3	5.9	2.3	4.4
TAL OF II (as above)		362	331	445	104	96	122	84	92	180	17	18	19	93	67	66	36	39	41	28	19	17

See notes at end of table.

TABLE (conc

Exports and imports of Hungary by commodity grouped by

Values in millions current do

Commodity groups or commodities	Unit	Total World			Eastern Europe			Soviet Union			Asian countries in eastern trade area			Western and northern Europe [a]			Other European countries [b]			Rest of the World and unspecified	
		1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956
III, IV. Live animals and food											**EXPORTS**										
Unprocessed food	Million dollars	88.6	75.5	62.5	37.4	23.8	24.9	4.0	3.7	1.6	1.1	—	—	28.5	34.7	27.4	16.7	12.3	7.6	0.9	1.0
of which: All grain (except rice)	*Thousand tons*	*446*	*294*	*17*	*206*	*100*	—	—	—	—	—	—	—	..	..	..	*228c*	*190c*	*13*c*	*12*	*4*
Rice		*13*	*32*	*44*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Live animals for slaughter [f]		*39*	*60*	*52*	*3*	*7*	*8**	*6*	*7*	—	—	—	—	..	..	..	*28c*	*44c*	*41*c*	*2*	*2*
Oil-seeds and fruit for industrial use		*74*	*67*	*41*	..	..	..	—	—	—	..	—	—	..	..	..	..	..	..	..	..
Vegetables, fruits and berries	*Million dollars*	*23.3*	*16.4*	*29.8*	*16.0*	*11.0*	*18.5*	*0.7*	*0.2*	*1.6*	—	—	—	*4.8*	*3.5*	*6.2*	*1.8*	*1.6*	*3.5*	—	*0.1*
Processed food	Million dollars	60.0	42.5	37.8	28.0	16.5	15.7	9.6	3.7	2.6	1.8	—	—	16.2	17.4	14.1	3.5	4.3	4.6	0.9	0.6
of which: Meat and meat products [g]	*Thousand tons*	*42.3*	*31.8*	*24.7*	*21.5*	*14.7*	*10.4**	*7.6*	*4.8*	*4.5**	—	—	—	..	..	..	*12.8c*	*11.7c*	*8.7*c*	*0.4*	*0.6*
Edible animal fats (excluding butter)		*4.6*	*2.5*	..	*1.8*	*0.2*	..	..	..	..	—	—	—	..	..	..	..	..	..	*2.8*	*2.3*
Butter		*3.9*	*5.0*	*3.9*	*1.2*	*1.4*	..	—	—	..	—	—	—	*1.2*	*1.3*	..	*1.5*	*2.3*	..	—	—
Refined and raw sugar		*95.7*	*40.0*	*9.9*	*33.0*	*5.0*	—	*28.4*	*9.9*	—	*13.7*	*1.3*	*3.1*	*10.5*	—	—	*6.8*	*23.1*	*6.6*	*3.3*	*0.7*
Edible vegetable oil		*5.3*	*5.6*	*3.1*	—	—	..	*5.3*	*5.1*	..	—	—	—	—	..	..	—	*0.5c*	..	—	—
Other unprocessed and processed food	Million dollars	38.4	35.0	29.7	16.6	12.7	12.4	4.4	5.6	3.8	0.1	—	—	13.3	13.9	10.5	2.8	2.4	2.8	1.2	0.4
TOTAL OF III, IV (as above)		187	153	130	82	53	53	18	13	8	3	—	—	58	66	52	23	19	15	3	2
V. Other products for consumption (excluding food)																					
Cotton, woollen and other fabrics		50.4	33.9	21.5	10.6	0.4	1.9	14.1	9.3	1.8	2.5	2.7	—	5.8	7.4	7.5	5.5	2.4	4.3	11.9	11.7
of which: Cotton fabrics	*Million sq. m.*	*105.7*	*90.3*	*60.3*	*15.5*	*0.4*	*0.1**	*7.6*	*2.7*	—	*4.9*	*4.6*	—	*17.1*	*25.9*	*16.0**	*13.1*	*5.6*	*6.2**	*47.5*	*51.1*
Woollen fabrics		*2.5*	*2.9*	*1.0*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Clothing, haberdashery	Million dollars	11.0	10.5	6.9	3.9	0.5	0.7	1.1	4.4	0.5	—	—	—	3.2	4.0	4.0	1.1	0.4	0.5	1.7	1.2
Leather, rubber and other footwear		5.3	5.5	3.5	3.0	0.9	2.2	0.6	3.1	—	—	—	—	0.5	1.1	1.0	0.1	0.1	—	1.1	0.3
	Million pairs	1.0	1.2	0.8	0.5	0.1	..	0.1	0.6	..	—	—	—	..	..	..	0.1c	0.2c	..	0.3	0.3
Medicaments, sanitary goods, cosmetic preparations, etc.	Million dollars	7.9	7.7	11.7	2.1	1.8	2.1	1.2	1.3	5.2	2.5	2.7	0.8	0.8	1.0	1.9	0.9	0.5	1.3	0.4	0.4
Metal-made consumers' goods (including electric installations, etc.)		9.8	7.9	12.1	2.3	2.9	5.4	2.1	1.1	1.8	0.6	0.1	0.8	1.2	1.2	1.4	1.0	0.9	1.2	2.6	1.7
Other products for consumption		11.6	9.5	13.3	4.1	2.5	3.7	0.9	1.8	2.7	0.4	0.5	0.4	2.5	2.3	3.2	1.4	0.7	1.7	2.3	1.7
TOTAL OF V (as above)		96	75	69	26	9	16	20	21	12	6	6	2	14	17	19	10	5	9	20	17
TOTAL EXPORTS	Million dollars	**609**	**495**	**496**	**208**	**144**	**170**	**153**	**121**	**106**	**40**	**36**	**33**	**103**	**113**	**94**	**53**	**41**	**56**	**52**	**40**

Sources: See "Notes to the statistics".

NOTE. — Calculated from prices at effective trade parity.

[a] European Economic Community, United Kingdom, Switzerland, Denmark, Norway and Sweden. Trade by commodity classes with the European Economic Community and other countries in this group developed as follows:

Commodity group	Unit	Exports						Imports				
		European Economic Community			United Kingdom, Switzerland and Scandinavian countries			European Economic Community			United Kingdom, Switzerland and Scandinavian countries	
		1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956
I. Machinery and equipment for production	Million dollars	1.7	1.4	1.2	0.6	0.5	0.8	6.5	5.9	7.6	2.6	2.6
II. Fuels and raw materials (except for food industry)		16.9	15.5	13.9	11.8	13.0	7.5	68.1	46.8	47.6	24.6	20.3
III-IV. Live animals and food		43.5	42.2	38.1	15.0	23.8	13.9	42.8	24.7	20.7	8.5	2.9
V. Other products for consumption		5.6	7.6	8.7	7.9	9.3	9.7	2.4	0.9	2.8	0.9	0.9
TOTAL		67.7	66.7	61.9	35.3	46.6	31.9	119.8	78.3	78.7	36.6	26.7

TABLE *(concluded)*

ground by areas of destination and origin, 1955 to 1957

millions of current dollars, or quantities

Commodity groups or commodities	Unit	Total World			Eastern Europe			Soviet Union			Asian countries in eastern trade area			Western and northern Europe [a]			Other European countries [b]			Rest of the World and unspecified		
		1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957
										IMPORTS												
II, IV. Live animals and food																						
Unprocessed food	Million dollars	51.3	30.5	61.0	3.4	1.0	0.1	—	—	32.8	8.4	7.1	8.3	27.3	10.7	13.0	5.7	2.2	0.6	6.5	9.5	6.2
of which : All grain	*Thousand tons*	*509*	*238*	*686*	*27*	*5*	..	*34*	—	*436*	—	—	..	..	..	..	*399 c*	*138 c*	..	*49*	*95*	*250*
Oil-seeds and fruits for industrial use		*65.5*	*57.2*	*50.4*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Natural coffee		*2.7*	*2.6*	*2.1*	—	—	—	—	—	—	—	—	..	..	..	..	..	..	..	..	..	..
Cocoa beans		*1.8*	*2.3*	*2.6*	—	—	—	—	—	—	—	—	..	..	..	..	..	..	..	..	..	..
Processed food	Million dollars	20.0	9.6	14.4	1.2	0.7	3.8	—	—	—	1.4	2.4	0.2	12.4	5.1	9.3	1.1	1.3	0.8	3.9	0.1	0.3
of which : Meat and meat products g	*Thousand tons*	*4.4*	*0.1*	*5.6*	*1.2*	*0.1*	*4.7*	—	—	—	—	—	—	..	..	..	*3.2 c*	—	*0.7 c*	—	—	*0.2*
Edible animal fats		*9.7*	*3.2*	..	..	..	..	—	—	—	—	—	—	..	..	..	*5.5*	*1.5*	..	*4.2*	*1.7*	..
Refined and raw sugar		*87.4*	*53.5*	*32.8*	—	—	..	—	—	—	—	—	—	..	..	..	*67.8 c*	*53.5 c*	*32.8 c*	*19.6*	—	—
Other unprocessed and processed food		18.7	18.9	10.6	2.4	3.3	2.1	—	—	0.2	2.2	1.5	1.5	11.3	12.2	3.7	1.2	1.5	1.6	1.6	0.4	1.5
TOTAL OF III, IV (as above)	Million dollars	90	59	86	7	5	6	—	—	33	12	11	10	51	28	26	8	5	3	12	10	8
V. Other products for consumption (excluding food)																						
Cotton, woollen and other fabrics	Million sq. m.	2.8	2.5	10.0	1.7	2.1	7.0	—	0.1	0.2	—	—	0.4	0.9	0.2	0.6	0.2	—	1.7	—	0.1	0.1
of which : Cotton fabrics		*1.5*	*2.1*	*5.0*	*1.0*	*1.0*	..	..	..	..	..	..	..	..	..	..	..	..	..	*0.5*	*1.1*	..
Clothing, haberdashery	Million dollars	1.2	1.0	6.0	1.1	0.9	5.3	—	—	—	—	—	—	0.1	0.1	0.4	—	—	—	—	—	0.3
Leather, rubber and other footwear		—	—	1.4	—	—	1.3	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	—
	Million pairs	—	—	0.2 e	—	—	0.2 e	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Medicaments, sanitary goods, cosmetic preparations, etc.	Million dollars	2.1	1.8	5.6	0.4	0.7	2.8	0.2	0.1	0.5	—	—	—	1.2	0.8	1.7	0.3	—	0.4	—	0.2	0.2
Metal-made consumers' goods (including electric installations, etc.)		2.2	1.5	8.0	1.7	0.8	3.8	0.2	0.5	3.1	—	—	—	0.3	0.2	1.1	—	—	—	—	—	—
Other products for consumption		7.7	6.2	12.0	6.1	4.5	9.8	0.6	0.3	0.1	—	—	0.6	0.5	0.7	0.2	0.5	—	0.9	—	0.7	0.4
TOTAL OF V (as above)		16	13	43	11	9	30	1	1	4	—	—	1	3	2	4	1	—	3	—	1	1
TOTAL IMPORTS	Million dollars	**534**	**466**	**658**	**163**	**149**	**209**	**99**	**107**	**234**	**29**	**29**	**30**	**156**	**105**	**108**	**47**	**46**	**51**	**40**	**30**	**26**

Austria, Finland, Iceland, Yugoslavia and southern Europe (Greece, Portugal, Spain and Turkey). c Whole western European trade area. d Value of imported non-ferrous metals included in the item of other raw materials. e Only cotton-type staple fibre of which 7.3 and 9.0 thousand tons, respectively, were imported in 1955 and 1956. f Live weight. g Slaughter weight. For exports, only raw meat, table poultry and salami.

TABLE XIII. Exports and imports of the Soviet Union by commodity

Values in millions

Commodity groups or commodities	Unit	TOTAL WORLD			EASTERN EUROPE			ASIAN COUNTRIES IN EASTERN TRADE AREA			EUROPEAN ECONOMIC COMMUNITY			OTHER EUROPEAN COUNTRIES			REST OF THE WORLD AND UNSPECIFIED		
		1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957
										EXPORTS									
I. Machinery and equipment for production (including spare parts)																			
Metal-cutting machine tools	Million dollars	7.2	8.7	7.8	3.5	2.8	2.4	3.3	4.7	3.3	—	—	—	0.3	0.2	0.4	0.1	1.0	
Forging-pressing equipment		1.6	1.2	1.8	0.4	0.4	1.1	1.2	0.7	0.6	—	—	—	—	—	—	—	0.1	
Power equipment		15.2	13.8	11.1	3.9	5.0	4.8	11.1	8.3	5.3	—	—	—	—	0.1	0.3	0.2	0.4	
Electro-technical equipment		12.8	12.6	15.5	6.0	6.3	6.7	6.4	5.6	5.8	—	0.3	0.8	—	—	—	0.4	0.4	
Equipment for food and light industry		2.1	2.2	2.9	1.2	1.0	0.5	0.6	0.9	0.8	—	—	—	—	0.1	0.1	0.3	0.2	
Equipment for chemical industry		3.0	1.9	2.1	1.5	1.3	0.9	1.5	0.5	1.1	—	—	—	—	—	0.1	—	0.1	
Equipment for complete enterprises		277	300	322	130	65	50	146	227	223	—	—	—	—	—	—	1	8	
Other industrial equipment [b]		72	79	99	34	36	54	37	42	38	..	..	..	..	..	6	..	1	
Total industrial equipment [b]		391	419	462	180	118	121	208	289	278	..	..	..	1	1	7	2	11	
Apparatus, laboratory and medical equipment, bearings, instruments, etc.		30.1	30.3	34.4	18.0	17.0	16.6	11.1	12.0	15.0	—	—	—	0.3	0.4	1.1	0.7	0.9	
Tractors, spare parts and agricultural machinery		65.6	53.9	47.7	47.4	37.4	33.8	17.8	14.1	5.5	—	—	—	0.2	1.6	7.6	0.2	0.8	
of which : Tractors	*Million dollars*	*32.2*	*25.6*	*26.8*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
	Thousands	*8.2*	*5.4*	*6.7*	*5.8*[e]	*3.8*[e]	*4.1*[e]	*2.4*[e]	*1.3*[e]	*1.8*[e]	..	..	..	..	..	..	..	..	
Railway rolling stock and lifting equipment	Million dollars	3.2	17.8	2.2	1.5	0.2	0.2	1.6	17.4	1.6	—	—	—	—	—	—	0.1	0.2	
Motor transport and garage equipment		105.9	96.0	96.6	54.2	42.9	44.8	35.7	27.9	12.6	0.1	—	0.2	12.8	14.3	12.3	3.1	10.9	
of which : Motor trucks	*Million dollars*	*59.3*	*38.9*	*32.2*	*31.8*	*15.2*	*13.4*	*21.9*	*14.6*	*4.7*	—	—	—	*3.6*	*2.8*	*0.4*	*2.0*	*6.3*	
	Thousands	*22.4*	*14.0*	*11.2*	*12.1*	*5.3*	*5.4*	*7.4*	*4.8*	*1.4*	—	—	—	*2.4*	*1.9*	*0.1*	*0.5*	*2.0*	
Ships and harbour equipment, etc.	Million dollars	3.3	6.5	9.3	2.5	2.9	4.9	0.3	3.1	1.9	—	—	—	—	0.3	1.0	0.5	0.2	
TOTAL of I (as above)		599	624	652	304	218	221	274	364	314	—	—	1	14	18	29	7	24	
II. Fuels and raw materials (except for food industry)																			
Fuels and electric power	Million dollars	327	428	649	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
of which : Coal	*Thousand tons*	*4313*	*5673*	*8772*	*2324*	*2933*	*5592*	—	—	*72*	*1085*	*1118*	*968*	*628*	*1376*	*1627*	*276*	*246*	
Coke		*1617*	*1965*	*2196*	*1464*	*1780*	*1909*	—	—	*30*	—	—	—	*149*	*183*	*236*	*4*	*2*	
Crude petroleum		*2916*	*3897*	*5923*	*1663*	*2116*	*3832*	*378*	*397*	*380*	*311*	*556*	*748*	*195*	*309*	*390*	*369*	*519*	
Petroleum products		*5069*	*6170*	*7757*	*536*	*784*	*1249*	*697*	*1580*	*1723*	*187*	*542*	*1053*	*1813*	*2272*	*2556*	*1836*	*992*	
Ores, minerals, metals (including semi-finished products)	Million dollars	572	705	858	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
of which : Iron ore	*Thousand tons*	*8818*	*9124*	*10773*	*8818*	*9124*	*10773*	—	—	—	—	—	—	—	—	—	—	—	
Pig iron		*1149*	*1359*	*1278*	*551*	*650*	*767*	—	—	—	*230*	*238*	*144*	*328*	*422*	*316*	*40*	*49*	
Rolled ferrous metals		*1570*	*1875*	*1962*	*771*	*932*	*1263*	*472*	*362*	*171*	—	*46*	—	*88*	*109*	*151*	*239*	*426*	
Copper (including rolled products)		*39.0*	*54.5*	*62.6*	*22.7*	*34.5*	*46.5*	*6.4*	*7.5*	*0.5*	—	—	—	—	—	—	*9.9*	*12.5*	
Zinc		*35.5*	*50.9*	*72.2*	*18.6*	*23.0*	*30.6*	—	—	—	*1.3*	*3.8*	*7.2*	*12.9*	*20.8*	*29.1*	*2.7*	*3.3*	
Lead		*26.2*	*40.5*	*54.9*	*25.4*	*38.9*	*45.8*	—	*1.6*	—	—	—	—	—	—	*2.4*	*0.8*	—	
Aluminium (including rolled products)		*48.0*	*65.0*	*91.2*	*33.5*	*32.4*	*51.1*	*2.9*	*2.3*	*1.3*	—	*17.7*	*7.2*	*5.0*	*12.1*	*22.3*	*6.6*	*0.5*	
Chemicals, fertilizers, rubber	Million dollars	102	120	137	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
of which : Sulphuric acid	*Thousand tons*	*14.2*	*14.9*	*17.5*	*14.0*	*14.5*	*14.8*	*0.2*	*0.2*	*0.1*	—	—	—	—	—	—	—	*0.2*	
Caustic soda		*9.3*	*18.6*	*16.6*	*3.3*	*3.0*	*10.0*	*0.3*	—	—	—	*0.3*	*0.2*	*2.6*	*1.4*	*1.7*	*3.1*	*13.9*	
Soda ash		*28.6*	*22.4*	*42.0*	*8.5*	*7.8*	*9.5*	*0.5*	*2.0*	*2.0*	—	—	—	*18.0*	*11.4*	*15.6*	*1.6*	*1.2*	
Superphosphate [c]		*48.2*	*63.2*	*121.5*	*46.9*	*55.6*	*84.7*	—	*7.6*	*22.1*	—	—	—	—	—	—	*1.3*	—	
Potash fertilizer [c]		*46.0*	*107.1*	*221.2*	—	*22.2*	*37.6*	—	—	—	—	*1.5*	*26.3*	*46.0*	*83.4*	*112.0*	—	—	
Nitrogenous fertilizer [c]		*117*	*113*	*119*	*38*	*57*	*64*	*28*	*35*	*10*	—	—	—	*27*	*20*	*3*	*24*	*1*	
Natural and synthetic rubber		*33.6*	*45.9*	*47.1*	*29.9*	*45.4*	*46.4*	*0.3*	*0.4*	*0.2*	—	—	—	*0.4*	*0.1*	*0.2*	*3.0*	—	
Timber and timber products (including cellulose and paper)	Million dollars	175	162	231	20	36	9	17	8	5	40	37	42	82	66	82	16	15	
Textile raw materials and semi-finished products		347	329	305	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
of which : Cotton fibres (including downs)	*Thousand tons*	*351*	*323*	*330*	*255*	*252*	*266*	—	—	*5*	*31*	*25*	*18*	*41*	*33*	*34*	*24*	*13*	
Wool [d]		*14.7*	*12.8*	*13.8*	*11.2*	*10.3*	*11.5*	—	—	—	*0.9*	*0.6*	*1.0*	*0.7*	*1.0*	*0.4*	*1.9*	*0.9*	
Artificial fibres and yarns [e]		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other raw materials of animal and vegetable origin	Million dollars	77	79	83	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
of which : Hides (including pigskin)	*Thousand pieces*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Sole and similar leather	*Thousand tons*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Unmanufactured tobacco		*4.4*	*7.5*	*6.0*	*2.3*	*4.6*	*4.0*	—	—	—	*1.0*	*2.2*	*1.6*	*0.6*	*0.5*	*0.1*	*0.5*	*0.2*	
Other raw materials	Million dollars	16	14	9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
TOTAL of II (as above)		1616	1837	2272	849	982	1330	194	220	181	132	174	194	281	310	397	160	151	
III, IV. Live animals and food																			
Unprocessed food	Million dollars	301	244	581	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
of which : All grain	*Thousand tons*	*3683*	*3216*	*7414*	*2913*	*1661*	*5854*	*27*	*50*	*41*	*60*	*359*	*282*	*535*	*986*	*843*	*148*	*160*	
Live animals for slaughter [f]		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Oil seeds and fruit for industrial use		66	*60*	*50*	—	—	—	—	—	—	—	—	—	—	—	—	*66*	*60*	
Natural coffee		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Cocoa beans		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Tea		*5.7*	*6.4*	*5.7*	*0.1*	*0.3*	*0.3*	*4.6*	*4.4*	*5.2*	—	—	—	—	—	—	*1.0*	*1.7*	
Processed food	Million dollars	97	146	209	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
of which : Meat and meat products [g]	*Thousand tons*	*11.1*	*31.2*	*76.5*	*10.1*	*30.9*	*76.3*	—	*0.1*	*0.1*	—	—	—	—	—	—	*1.0*	*0.2*	
Edible animal fats [h]		*5.1*	*26.3*	*49.1*	*5.0*	*26.3*	*49.0*	—	—	—	—	—	—	—	—	—	*0.1*	—	
Refined and raw sugar		*210*	*174*	*191*	—	—	—	*6*	*12*	*14*	—	—	—	*113*	*74*	*91*	*91*	*88*	
Edible vegetable oil		*24.0*	*55.6*	*47.8*	*19.0*	*52.1*	*44.7*	*0.3*	*0.3*	—	—	—	—	*3.5*	*3.2*	*3.0*	*1.2*	—	
TOTAL of III, IV (as above)	Million dollars	398	390	790	262	214	592	21	20	19	10	24	20	61	88	86	44	44	

oups and by areas of destination and origin, 1955 to 1957

rent dollars, or quantities

Commodity groups or commodities	Unit	Total World			Eastern Europe			Asian countries in eastern trade area			European Economic Community			Other European countries			Rest of the World[a] and unspecified		
		1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957
Machinery and equipment for production (including spare parts)									IMPORTS										
al-cutting machine tools	Million dollars	24.3	28.7	32.2	21.5	25.9	27.4	—	—	—	—	0.7	2.8	2.8	2.1	2.0	—	—	—
rging-pressing equipment		23.4	27.1	28.7	21.9	25.1	25.5	—	—	—	—	—	—	1.4	1.9	2.0	0.1	0.1	1.2
ner equipment		135.2	82.1	72.2	112.1	65.4	59.3	—	—	—	8.0	5.4	1.3	12.6	11.3	9.1	2.5	—	2.5
tro-technical equipment		21.0	22.0	26.9	12.2	14.9	19.4	—	—	—	1.2	1.0	2.5	7.5	6.0	4.5	0.1	0.1	0.5
pment for food and light industry		80.6	66.1	72.4	58.6	51.2	46.7	—	—	—	0.3	3.0	11.7	19.6	9.9	12.5	2.1	2.0	1.5
pment for chemical industry		24.7	21.4	24.5	24.6	21.1	17.1	—	—	—	—	—	—	—	0.3	4.4	0.1	—	3.0
pment for complete enterprises		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
r industrial equipment [b]		202	197	221	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total industrial equipment [b]		511	444	478	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
ratus, laboratory and medical equipment, rings, instruments, etc.		18.2	20.8	40.7	14.1	14.7	25.2	—	—	—	1.1	1.7	4.3	2.4	3.4	6.0	0.6	1.0	5.2
ors, spare parts and agricultural machinery		12.3	7.9	14.9	12.0	5.8	12.2	—	—	—	0.1	0.2	0.2	0.1	0.4	1.0	0.1	1.5	1.5
which: Tractors	*Million dollars*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	Thousands	*0.03*	*0.13*	*0.02*	—	—	—	—	—	—	..	..	..	..	..	..	..	..	..
ay rolling stock and lifting equipment	Million dollars	115.0	104.2	144.5	114.9	103.0	138.7	—	—	—	—	—	—	—	1.0	2.9	0.1	0.2	2.9
r transport and garage equipment		4.6	13.9	23.3	2.8	9.0	16.6	—	—	—	—	—	—	1.6	4.4	6.0	0.2	0.5	0.7
which: Motor trucks	*Million dollars*	—	*0.6*	*9.5*	—	*0.5*	*8.9*	—	—	—	—	—	—	—	—	—	—	*0.1*	*0.6*
	Thousands	—	*0.1*	*1.1*	—	*0.1*	*1.0*	—	—	—	—	—	—	—	—	—	—	—	*0.1*
and harbour equipment, etc.	Million dollars	264	304	239	157	157	146	10	9	6	32.0	61.6	30.2	64.4	75.5	56.4	0.3	0.7	—
TOTAL of I (as above)		925	895	940	734	656	714	10	9	7	53	82	64	128	145	153	—	3	2
uels and raw materials (except for food dustry)																			
and electric power	Million dollars	250	257	208	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
which: Coal	*Thousand tons*	*8664*	*6390*	*3423*	*8125*	*6170*	*3206*	*520*	*209*	*202*	—	—	—	—	—	—	*19*	*11*	*15*
Coke		*450*	*601*	*371*	*435*	*601*	*371*	—	—	—	—	—	—	—	—	—	*15*	—	—
Crude petroleum		*575*	*1510*	*1331*	*108*	*135*	*207*	—	—	—	—	—	—	*467*	*1375*	*1124*	—	—	—
Petroleum products		*3816*	*3798*	*2937*	*3769*	*3788*	*2932*	—	*10*	*5*	—	—	—	—	—	—	*47*	—	—
minerals, metals (including semi-finished pro-cts)	Million dollars	505	736	822	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
which: Iron ore	*Thousand tons*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Pig iron		*583*	*498*	*152*	—	—	—	*583*	*498*	*152*	—	—	—	—	—	—	—	—	—
Rolled ferrous metals		*97*	*616*	*734*	*46*	*56*	*71*	*1*	*48*	*33*	*44*	*396*	*413*	*4*	*112*	*190*	*2*	*4*	*27*
Copper (including rolled products)		*0.4*	*0.3*	*0.1*	*0.4*	*0.3*	*0.1*	—	—	—	—	—	—	—	—	—	—	—	—
Zinc		*47.3*	*48.1*	*32.5*	*47.3*	*47.1*	*30.8*	—	—	*0.2*	—	—	—	—	—	—	—	*1.0*	*1.5*
Lead		*17.6*	*26.7*	*27.7*	—	—	—	*15.9*	*16.8*	*15.5*	—	—	—	—	*6.0*	*8.1*	*1.7*	*3.9*	*4.1*
Aluminium (including rolled products)		*17.2*	*19.1*	*1.0*	*10.0*	*11.6*	—	*7.0*	*4.7*	—	—	—	—	—	*2.0*	—	*0.2*	*0.8*	*1.0*
icals, fertilizers, rubber	Million dollars	103	208	206	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
which: Sulphuric acid	*Thousand tons*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Caustic soda		*33.7*	*68.6*	*48.0*	*3.9*	*12.3*	*13.2*	*25.8*	*49.2*	*14.9*	—	—	—	*4.0*	*7.1*	*18.0*	—	—	*1.9*
Soda ash		*108.2*	*143.0*	*71.9*	*37.7*	*27.7*	*36.8*	*70.0*	*107.3*	*20.1*	—	—	—	*0.5*	*8.0*	*15.0*	—	—	—
Superphosphate [c]		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Potash fertilizer [c]		*46.9*	*4.9*	—	*46.9*	*4.9*	—	—	—	—	—	—	—	—	—	—	—	—	—
Nitrogenous fertilizer [c]		—	—	*20*	—	—	—	—	—	*20*	—	—	—	—	—	—	—	—	—
Natural and synthetic rubber		*60.8*	*166.8*	*170.4*	*25.5*	*26.1*	*24.9*	*1.0*	*16.9*	*48.1*	—	—	—	—	—	—	*34.3*	*123.8*	*97.4*
e and timber products (including cellulose and per)	Million dollars	93	108	120	6	40	37	—	—	1	3	4	4	45	60	72	39	4	6
raw materials and semi-finished products		166	216	318	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
which: Cotton fibres (including downs)	*Thousand tons*	*20*	*51*	*109*	—	*1*	*1*	—	—	—	—	—	—	—	*1*	—	*20*	*49*	*108*
Wool [d]		*46.5*	*48.5*	*57.3*	—	—	—	*27.5*	*25.5*	*24.2*	—	—	—	—	—	—	*19.0*	*23.0*	*33.1*
Artificial fibres and yarns [e]		*28.5*	*55.6*	*64.2*	—	*1.3*	*0.3*	—	—	—	*9.7*	*20.9*	*23.5*	*4.2*	*14.2*	*15.5*	*14.6*	*19.2*	*24.9*
raw materials of animal and vegetable origin	Million dollars	129	146	185	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
which: Hides (including pigskin)	*Thousand pieces*	*8980*	*13383*	*21304*	*587*	*532*	*184*	*3920*	*5027*	*5359*	*73*	*30*	*101*	—	—	—	*4400*	*7794*	*15660*
le and similar leather	*Thousand tons*	*1.1*	*0.3*	*1.5*	—	—	—	—	—	—	—	—	—	*0.5*	*0.3*	*0.9*	*0.6*	—	*0.6*
manufactured tobacco		*55.2*	*73.3*	*91.1*	*26.1*	*31.6*	*37.7*	*24.3*	*32.9*	*44.4*	*1.5*	*3.0*	—	*3.0*	*5.6*	*5.6*	*0.3*	*0.2*	*3.4*
raw materials	Million dollars	19	33	39	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL of II (as above)		1261	1676	1802	605	636	561	354	408	432	25	89	107	112	191	217	165	352	485
V. Live animals and food																			
essed food	Million dollars	207	233	207	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
which: All grain	*Thousand tons*	*305*	*494*	*152*	*276*	*32*	*20*	*29*	*39*	*1*	—	—	—	—	*20*	*10*	—	*403*	*121*
e animals for slaughter [f]		*126*	*136*	*102*	—	—	—	*112*	*121*	*98*	—	—	—	*8*	*8*	*4*	*6*	*7*	—
l seeds and fruit for industrial use		*760*	*802*	*716*	—	—	—	*753*	*796*	*713*	—	—	—	—	—	—	*7*	*6*	*3*
tural coffee		*1.5*	*3.3*	*5.1*	—	—	—	—	—	*0.1*	*0.3*	—	—	—	—	—	*1.2*	*3.3*	*5.0*
coa beans		*14.1*	*16.4*	*44.1*	—	—	—	—	—	—	—	—	—	—	—	—	*14.1*	*16.4*	*44.1*
		10.2	*16.0*	*21.0*	—	—	—	*10.2*	*12.7*	*11.8*	—	—	—	—	—	—	—	*3.3*	*9.2*
ed food	Million dollars	411	356	354	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
which: Meat and meat products [g]	*Thousand tons*	*239*	*207*	*116*	*37*	*47*	*22*	*145*	*128*	*63*	—	—	—	*9*	*11*	*14*	*48*	*21*	*17*
ible animal fats [h]		*10.8*	*9.4*	*9.5*	—	—	—	*8.7*	*7.6*	*4.6*	—	—	—	—	—	*3.0*	*2.1*	*1.8*	*1.9*
ined and raw sugar		*933*	*336*	*645*	*351*	*121*	*110*	—	—	—	—	—	*60*	—	—	—	*582*	*215*	*475*
ible vegetable oil		*195*	*96*	*46*	*16*	*6*	*1*	*91*	*81*	*40*	*28*	*9*	*1*	—	—	—	*60*	—	*4*
TOTAL of III, IV (as above)	Million dollars	618	590	557	116	99	82	308	337	244	18	8	18	39	53	56	137	93	157

TABLE XIII Exports and imports of the Soviet Union by commo

Values in million

Commodity groups or commodities	Unit	TOTAL WORLD			EASTERN EUROPE			ASIAN COUNTRIES IN EASTERN TRADE AREA			EUROPEAN ECONOMIC COMMUNITY			OTHER EUROPEAN COUNTRIES			REST OF THE WO AND UNSPECIFIE	
		1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956
V. Other products for consumption (excluding food)										**EXPORTS**								
Cotton, woollen and other fabrics	Million dollars	42.8	32.2	59.1	5.0	5.4	25.5	19.8	12.6	12.9	0.1	0.4	0.5	2.0	1.1	1.4	15.9	12.7
of which : Cotton fabrics	*Million dollars*	*29.5*	*20.4*	*42.8*	*0.9*	*0.7*	*19.7*	*11.7*	*7.5*	*8.0*	—	—	—	*1.9*	*1.0*	*1.5*	*15.0*	*11.2*
	Million metres	*139*	*115*	*178*	*3*	*2*	*42*	*51*	*28*	*35*	—	—	—	*10*	*5*	*8*	*75*	*80*
Clothing	Million dollars	12.0	10.9	10.9	—	0.1	0.2	8.5	8.0	5.1	—	—	—	—	—	—	3.5	2.8
Leather, rubber and other footwear		3.7	3.6	3.9	—	0.4	0.3	1.8	1.0	0.6	—	—	—	—	—	—	1.9	2.2
of which : Leather shoes	*Million dollars*	*2.9*	*2.4*	*2.8*	—	—	—	*1.4*	*0.8*	*0.5*	—	—	—	—	—	—	*1.5*	*1.6*
	Million pairs	*0.35*	*0.18*	*0.18*	—	—	—	*0.30*	*0.14*	*0.11*	—	—	—	—	—	—	*0.05*	*0.04*
Medicaments, sanitary goods, cosmetic preparations, etc.	Million dollars	11.3	10.1	11.1	3.9	2.7	2.6	2.1	3.7	3.1	0.1	0.1	0.2	0.4	0.8	0.8	4.8	2.8
Metal-made consumers' goods (including electric installations, etc.)		6.2	13.8	31.7	4.4	10.9	24.8	1.6	1.8	3.0	—	—	—	—	0.1	0.3	0.2	1.0
Other products for consumption		27	30	25	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL OF V (as above)		103	101	142	27	36	72	46	39	33	—	1	1	3	3	3	27	22
Items not included in I-V above (and statistical discrepances due to differences in coverage)	Million dollars	753 [a]	660 [a]	526 [a]	350	318	335	380	250	135	21	17	13	31	21	24	— 29 [a]	54 [a]
TOTAL EXPORTS	Million dollars	**3469**	**3612**	**4382**	**1792**	**1768**	**2550**	**915**	**893**	**682**	**163**	**216**	**229**	**390**	**440**	**539**	**209**	**295**

Sources : See " Notes to the statistics ".

[a] The distribution by areas can be more exactly given for total exports and imports than for commodity classes. In the latter detail also unallocated items appea " Rest of the World and unspecified ", which in some cases means that a higher sum appears for detail by commodity classes than for total exports and

Exports and imports of Poland by commodity g

Values in millions of

Commodity groups or commodities	Unit	TOTAL WORLD			EASTERN EUROPE			SOVIET UNION			ASIAN COUNTRIES IN EASTERN TRADE AREA			EUROPEAN ECONOMIC COMMUNITY			OTHER EUROPEAN COUNTRIES			REST OF THE W AND UNSPEC	
		1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956
I. Machinery and equipment for production (including spare parts)										**EXPORTS**											
Metal-working machine tools	Million dollars [a]	5.1	7.0	7.8	0.3	0.5	1.3	0.7	1.1	1.8	0.5	1.7	1.6	—	—	—	0.3	0.2	0.4	3.3	3.5
Power and electro-technical equipment	Million dollars	0.9	7.5	8.5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Equipment for complete enterprises		7.5	13.5	15.0	—	(0.1)[b]	(7.1)	—	(..)[b]	—	7.5	12.0	7.0	—	—	—	—	—	—	—	1.4
Railway rolling stock		45.6	46.9	52.6	(45.0)[b]	(42.0)[b]	(50.3)[b]	(..)[b]	(..)[b]	(..)[b]	0.6	—	—	—	..	..	—	..	..	—	4.5
of which : Goods wagons	*Unit*	*2792*	*4535*	*3070*	—	—	—	*2136*	*2205*	*2351*	—	—	—	—	—	—	—	—	—	*656*	*2330*
Ships and harbour equipment	Million dollars [a]	37.0	38.0	42.3	—	—	—	31.3	26.2	29.8	5.6	10.3	12.5	—	—	—	—	—	—	0.1	1.5
Agricultural machinery	Million dollars	2.1	7.6	2.7	(0.4)[b]	(0.2)[b]	(0.1)[b]	(..)[b]	(..)[b]	(..)[b]	1.3	7.0	2.4	..	..	..	..	..	..	0.4	0.4
TOTAL OF I (as above)		123	154	195	(93)[b]	(99)[b]	146[b]	(..)[b]	(..)[b]	(..)[b]	..	..	..	..	..	..	..	..	..	30	55
II. Fuels and raw materials (except for food industry)																					
Coal and coke		514.3	425.0	307.3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which : Coal	*Million tons*	*24.1*	*19.2*	*13.4*	*8.0*	*6.2*	*3.7*	*8.2*	*6.1*	*3.2*	—	—	—	*1.2*	*2.1*	*1.9*	*5.5*	*4.3*	*4.2*	*1.2*	*0.5*
Coke		*2.24*	*2.28*	*1.92*	*1.63*	*1.10*	*1.41*	*0.44*	*0.39*	*0.37*	—	—	—	—	—	—	*0.07*	*0.39*	*0.02*	*0.10*	*0.20*
Metals (including semi-finished products)	Million dollars	76.8	111.4	115.7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which : Rolled ferrous metals	*Thousand tons*	*225*	*466*	*539*	*57*	*101*	*160*	*52*	*68*	*88*	*54*	*104*	*108*	*2*	*59*	*9*	*8*	*20*	*54*	*52*	*114*
Zinc and zinc sheets		*96*	*96*	*92*	*29*	*29*	*20*	*51*	*49*	*36*	—	—	—	—	*1*	*10*	—	*5*	*21*	*16*	*12*
Chemicals	Million dollars	25.1	27.0	27.2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which : Caustic soda and soda ash	*Thousand tons*	*51.8*	*46.9*	*66.1*	*8.2*	*4.5*	*6.0*	*37.8*	*29.5*	*38.0*	—	—	—	—	—	—	—	—	*3.2*	*5.8*	*12.9*
Cement		674	561	152	—	—	—	69	323	15	—	—	—	—	16	8	20	73	33	585	140
Timber and paper	Million dollars	33.7	29.5	22.6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which : Coniferous sawmill products	*Thousand cu. m.*	*409*	*369*	*278*	—	—	—	—	—	—	—	—	—	*50*	*55*	*74*	*242*	*294*	*192*	*117*	*38*
Pulpwood		*492*	*440*	*287*	*186*	*93*	*42*	—	—	—	—	—	—	*270*	*305*	*226*	—	—	—	*36*	*42*
Other raw materials	Million dollars	28.3	35.0	32.5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL OF II (as above)		678	628	505	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
III, IV. Live animals and food																					
Meat and meat products	Thousand tons	73	88	88	—	—	—	6	4	2	—	—	—	2	14	14	43	54	56	22	16
Eggs	Million	344	343	360	16	10	—	—	—	—	—	—	—	191	224	249	121	97	83	16	12
Sugar	Thousand tons	372	61	98	—	—	—	215	24	—	42	16	—	11	—	37	9	17	45	95	4
TOTAL OF III, IV (as above)	Million dollars	145	115	128	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
V. Other products for consumption (excluding food)																					
Cotton and woollen fabrics		37.2	51.2	30.7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
of which : Cotton fabrics	*Million metres*	*57.5*	*92.7*	*63.8*	*7.8*	*3.2*	*0.2*	*5.1*	*6.2*	*1.8*	*5.2*	*7.5*	*3.9*	*0.9*	*8.6*	*7.5*	*1.3*	*4.6*	*0.8*	*37.2*	*62.4*
TOTAL OF V (as above)	Million dollars	63	88	68	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL EXPORTS	Million dollars [a]	**914** [c]	**975** [c]	**975**	**249**	**236**	**251**	**281**	**270**	**259**	**35**	**67**	**50**	**55**	**107**	**110**	**210**	**208**	**217**	**84**	**87**
Total exports at 1956 prices	Million dollars	1009	985	896	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Sources : See " Notes to the statistics ".

[a] At current prices.

[b] The Soviet Union is included under eastern Europe.

[c] Excluding " internal exports " — i.e., commodities delivered to domestic destinations but paid for exchange (amounting in 1956 to about $10 million), which are included in figures for individual classes and in total exports at 1956 prices.

TABLE II *(concluded)*

...ups and by areas of destination and origin, 1955 to 1957

...nt dollars, or quantities

Commodity groups or commodities	Unit	Total World			Eastern Europe			Asian countries in eastern trade area			European Economic Community			Other European countries			Rest of the World[a] and unspecified		
		1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957
...ther products for consumption ...ncluding food)								**IMPORTS**											
...n. woollen and other fabrics	Million dollars	88.5	138.6	131.7	42.8	69.1	37.8	43.4	65.7	86.1	0.1	0.3	0.5	1.5	3.5	5.8	0.7	—	1.5
...which: Cotton fabrics	*Million dollars*	*9.8*	*15.1*	*8.8*	*9.4*	*13.9*	*6.3*	*0.4*	*1.2*	*2.1*	—	—	—	—	—	—	—	—	*0.4*
	Million metres	*16.3*	*21.5*	*9.4*	*16.0*	*20.8*	*7.3*	*0.3*	*0.7*	*1.0*	—	—	—	—	—	—	—	—	*1.1*
...ing	Million dollars	24.1	106.4	165.1	8.3	74.8	109.0	15.4	30.6	50.2	—	—	—	0.4	0.6	3.1	—	0.4	2.8
...er, rubber and other footwear		4.2	37.9	58.3	2.4	32.4	39.5	1.0	3.7	7.2	—	—	—	0.8	1.8	3.0	—	—	8.6
...which: Leather shoes	*Million dollars*	*4.2*	*36.8*	*53.9*	*2.4*	*31.3*	*38.4*	*1.0*	*3.7*	*7.2*	—	—	—	*0.8*	*1.8*	*3.0*	—	—	*5.3*
	Million pairs	*0.9*	*11.4*	*11.8*	*0.5*	*10.3*	*8.7*	*0.2*	*0.7*	*1.4*	—	—	—	*0.2*	*0.4*	*0.6*	—	—	*1.1*
...uments, sanitary goods, cosmetic prepara- ..., etc.	Million dollars	3.2	5.9	12.7	1.9	2.5	6.8	0.1	2.3	2.5	0.5	0.6	0.9	0.2	0.3	0.3	0.5	0.2	2.2
...-made consumers' goods (including electric ...allations, etc.)		5.2	7.8	10.5	2.8	4.9	6.6	—	—	—	—	—	—	2.4	2.8	3.0	—	0.1	0.9
...r products for consumption		22	45	67	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL OF V (as above)		147	342	445	76	217	246	62	110	161	1	2	3	6	13	20	2	—	15
...not included in I-V above (and statistical ...pancies due to differences in coverage)	Million dollars	110[a]	110[a]	194[a]	132	207	312	49	7	10	28	6	14	34	14	43	—133[a]	—124[a]	—185[a]
TOTAL IMPORTS	Million dollars	**3061**	**3613**	**3938**	**1663**	**1815**	**1915**	**783**	**871**	**854**	**125**	**187**	**206**	**319**	**416**	**489**	**171**	**324**	**474**

...ecified machinery and equipment included with other industrial equipment. [c] Commercial weight. [d] In terms of washed wool. [e] Staple fibre and rayon yarns. [f] Live weight.
...ghter weight. [h] Only butter for export.

...by areas of destination and origin, 1955 to 1957

...56 prices, or quantities

Commodity groups or commodities	Unit	Total World			Eastern Europe			Soviet Union			Asian countries in eastern trade area			European Economic Community			Other European countries			Rest of the World and unspecified		
		1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957
...chinery and equipment for production ...uding spare parts)										**IMPORTS**												
...ical electro-technical equipment	Million dollars	39.5	35.0	27.7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...ent for food and light industry		19.8	22.1	21.9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...ent for complete enterprises		90.9	52.7	48.1	(90.9)[b]	(49.5)[b]	(37.2)[b]	(..)[b]	(..)[b]	(..)[b]	..	..	..	—	—	—	—	—	—	—	3.2	10.9
...ural machinery		15.9	18.0	16.4	..	(17.3)[b]	(14.9)[b]	..	(..)[b]	(..)[b]	..	..	..	..	..	..	..	..	..	..	0.7	1.5
TOTAL OF I (as above)		412	339	297	..	(289)[b]	..	..	(..)[b]	..	..	..	..	..	..	..	..	..	..	..	50	..
...s and raw materials (except for food industry)																						
...ls		45.4	48.3	69.3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...which: Crude petroleum	*Thousand tons*	*545*	*537*	*630*	*108*	*26*	*7*	*412*	*511*	*623*	—	—	—	—	—	—	*10*	—	—	*15*	—	—
Petroleum products		*886*	*952*	*1134*	*560*	*472*	*447*	*239*	*347*	*634*	—	—	—	—	—	—	*49*	*63*	*16*	*38*	*70*	*37*
...entrates and metals (including semi-finished products)	Million dollars	118.1	127.8	160.9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...which: Iron ore	*Thousand tons*	*4407*	*4776*	*5914*	—	—	—	*3053*	*3400*	*4027*	*241*	*190*	*194*	*52*	*122*	*246*	*745*	*820*	*878*	*316*	*244*	*569*
Rolled ferrous metals		*150*	*180*	*270*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Zinc concentrate		80	91	152	48	47	77	—	—	—	—	10	24	11	10	22	12	11	26	9	8	3
...s, fertilizers, rubber	Million dollars	70.2	77.9	91.6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...which: Artificial fertilizers	*Thousand tons*	*1293*	*1408*	*1512*	*771*	*779*	*879*	*142*	*160*	*162*	—	—	—	*318*	*469*	*455*	—	—	—	*62*	—	*16*
Natural and synthetic rubber		*25.7*	*33.8*	*42.5*	*3.1*	*6.2*	*6.5*	*4.5*	*8.8*	*8.6*	—	—	*4.3*	*3.1*	*1.6*	*4.5*	*12.0*	*16.2*	*17.9*	*3.0*	*1.0*	*0.7*
...woodpulp and paper	Million dollars	11.9	13.4	24.0	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...which: Cellulose	*Thousand tons*	*53*	*49*	*57*	—	—	—	—	—	—	—	—	—	—	—	—	*47*	*48*	*56*	*6*	*1*	*1*
...materials and semi-finished products	Million dollars	149.8	143.7	195.8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...which: Cotton	*Thousand tons*	*95.2*	*85.8*	*121.4*	*1.5*	*4.5*	*1.2*	*70.3*	*63.3*	*60.2*	*3.0*	*1.5*	*2.2*	—	—	—	—	—	—	*20.4*	*16.5*	*57.8*
Wool		*16.3*	*15.9*	*19.4*	—	—	—	—	—	—	—	—	*0.4*	—	*0.2*	*0.5*	*3.5*	*0.4*	*2.3*	*12.8*	*15.3*	*16.2*
Other fibres and yarns		*36.8*	*39.7*	*51.5*	—	—	—	—	—	*6.1*	—	—	—	*5.1*	*4.1*	*3.2*	*5.5*	*7.5*	*6.3*	*26.2*	*28.1*	*35.9*
...materials of animal and vegetable origin	Million dollars	31.3	29.1	36.9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...which: Hides	*Thousand tons*	*30.1*	*36.2*	*36.7*	—	*2.9*	*0.6*	—	—	—	—	—	—	*9.5*	*17.3*	*25.4*	*0.7*	*1.4*	*1.9*	*19.9*	*14.6*	*8.8*
Technical oils and fats		*30.0*	*31.5*	*45.5*	*3.5*	*4.0*	*0.5*	—	—	—	..	..	*1.5*	*7.0*	*13.3*	*8.1*	*9.5*	*3.6*	*6.6*	*10.0*	*10.6*	*28.8*
Unmanufactured tobacco		*11.9*	*10.2*	*11.8*	*1.9*	*1.5*	*2.2*	—	—	—	*2.5*	*3.1*	*1.2*	—	—	—	*6.3*	*5.5*	*7.9*	*1.2*	*0.1*	*0.5*
...materials	Million dollars	57.2	56.5	49.7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL OF II (as above)		484	497	628	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Live animals and food																						
...ls	Thousand tons	1161	1000	1805	56	64	—	393	77	1122	—	9	10	278	404	—	—	50	—	434	396	673
...(fat content)		30.6	32.3	28.3	1.0	1.0	—	4.5	2.1	2.5	6.0	6.0	25.8	—	—	—	—	—	—	19.1	23.2	—
...coffee		25.4	25.3	43.9	—	—	—	—	—	—	21.1	20.8	23.5	—	—	—	—	—	—	4.3	4.5	20.4
...ions	Ton	1000	2693	1582	—	1493	—	—	—	—	—	—	—	80	—	2	—	—	—	920	1200	1580
...ions		4779	5949	6298	—	—	—	—	—	—	—	—	—	—	1352	—	1496	738	1102	3283	3859	5196
...imal and vegetable fats		2019	2021	4068	—	—	—	—	—	—	1690	1810	2590	166	74	1099	—	—	—	163	137	379
...imal and vegetable fats	Thousand tons	18.2	26.2	22.0	2.8	3.4	1.5	4.9	6.5	4.6	—	1.0	1.5	1.3	2.0	3.4	6.3	6.4	6.8	2.9	6.9	4.2
TOTAL OF III, IV (as above)	Million dollars	116	127	192	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...r products for consumption (excluding food)																						
...nufactures		5.5	13.6	13.9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
...ers	Thousand pairs	1050	1418	1077	650	1072	255	278	117	369	—	—	—	—	—	—	—	—	336	122	229	117
TOTAL OF V (as above)	Million dollars	40	59	77	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL IMPORTS	Million dollars[a]	**932**	**1022**	**1250**	**251**	**287**	**295**	**314**	**344**	**422**	**35**	**37**	**43**	**86**	**124**	**135**	**169**	**142**	**180**	**77**	**88**	**175**
Total imports at 1956 prices	Million dollars	1052	1022	1194	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

APPENDIX B

NOTES TO THE STATISTICS

The statistical material here presented is, in general, based on the statistical yearbooks now available for all countries concerned, on the special volumes of industrial statistics published by Bulgaria and the Soviet Union and the foreign trade statistical abstracts of the Soviet Union. The data in these publications have been supplemented by the more recent information available in quarterly and monthly statistical bulletins, in the foreign trade reviews published by Bulgaria, Czechoslovakia, eastern Germany, Hungary and Poland, and in plans and plan fulfilment reports. In addition to the material specially supplied by governments for the foreign trade study in the SURVEY for 1957 additional information has been received, in response to a further request from the secretariat, from the Governments of Czechoslovakia, Hungary and Poland.

A detailed list of these sources can be found in the SURVEY for 1957 (Appendix B, pp. 1-2, 20-27); and the SURVEY for 1958 (Appendix B, pp. 1-2, 10-16), except for the following additions:

I. Statistical publications

Bulgaria

Promishlenost na Narodna Republika Bulgaria, Statisticheski zbornik, 1958.

II. Plans and plan fulfilment reports

Bulgaria

1959 Plan: *Rabotnichesko Delo*, 19 March 1959.

1962 and 1965 Plans: *Rabotnichesko Delo*, 12 June 1958 and 20 January 1959.

Czechoslovakia

1960 Plans: *Rudé Právo*, 17 June 1956; *Plánované Hospodářství*, No. 6, 1956; *Nová Mysl*, No. 6, 1956; and *Rudé Právo*, 12 and 17 October 1958; *Nová Mysl*, No. 7, 1958; and *Hospodářské Noviny*, Nos. 21, 28, 34 and 35, 1958.

Eastern Germany

1960 Plans: *Neues Deutschland*, 1 April 1956; and *Gesetzblatt der Deutschen Demokratischen Republik*, Teil I, 20 January 1958.

1965 (and 1961) Plans: *Neues Deutschland*, 11-18 July 1958.

Hungary

1960 Plan: *Szabad Nép*, 25 May 1956; and *Magyar Közlöny*, No. 55, 1958, pp. 429-436.

1965 Plan: *Népszabadság*, 14 May 1959.

Poland

1960 Plans: *Trybuna Ludu*, 3 August 1956 and 22 March 1959; *Materialy liczbowe do projektu uchwaly o planie rozwoju gospodarczego w latach 1956-1960*, Warsaw, 1957.

1965 Plans: *Trybuna Ludu*, 22 March 1959.

Rumania

Plan fulfilment (1958): *Scînteia*, 3 April 1959.

1959 Plan: *Scînteia*, 3 December 1958.

1960 Plan: *Probleme economice*, No. 1, 1956.

In the notes to particular tables which follow, sources are quoted only for statistics of a non-recurring nature not contained in the sources listed above or in the two SURVEYS under reference.

Commodity composition of trade (Table 1)

Bulgaria: Vneshna trgoviya, Supplement to No. 11, 1956, p. 6, *Ikonomicheska Misl*, No. 3, 1957, p. 40 (1950); information received from the Bulgarian Government (for estimating consumers' manufactures in 1950); *Vneshna trgoviya*, No. 3, 1959, p. 23 (1958).

Eastern Germany: Vierteljahreshefte zur Statistik der DDR, No. 4, 1958, p. 127 (engineering exports in 1957); *Der Aussenhandel*, No. 4/5, 1959, pp. 17, 18 (1958).

Hungary: cf. *Adatok és adalékok*, Budapest, 1957, pp. 293, 300, 302, 316 (for calculating trade in 1955 at frontier parity).

Rumania: Razvitie ekonomiki evropeiskikh stran narodnoi demokratii, 1956, pp. 194-195; *La Roumanie nouvelle*, 15 February 1957 (1950, 1955, as in the SURVEY for 1957); *Probleme economice*, No. 12, 1957, pp. 19 and 33, *Industria uşoară*, No. 11, 1957, p. 403 (machinery exports and imports); *Scînteia*, 25 February 1958 and *Lupta de clasă*, No. 1, 1959, p. 9 (1958).

Soviet Union: Vneshnyaya Torgovlya, No. 1958, pp. 21, 22, 29 (1950).

Area distribution of trade (Table 2 and Appendix Table X)

Bulgaria : Razvitie ekonomiki evropeiskikh stran narodnoi demokratii, 1956, p. 230 and *Zahraniční obchod*, No. 3, 1953, p. 120 (1950); *Vneshna trgoviya*, No. 9, 1958, p. 19 (trade with the Soviet Union in 1957); trade partners' statistics (eastern Europe, western Europe and exports to Asian countries in eastern trade area in 1957); information received from the Government (for estimating imports from overseas countries in 1957).

Czechoslovakia: Nová Mysl, No. 6, 1958, p. 548 (Soviet share in 1950); *Economic News Service*, No. 2, 1959 (Soviet trade in 1958); *Zahraniční obchod*, No. 4, 1958 (trade with eastern trade area, 1950-1957); No. 10, 1958 (for estimating Asian countries in 1950); *Postaveni ČSR ve světovém hospodářství*, Prague, without year, p. 114 (western Europe in 1950); information received from the Czechoslovak Government (western Europe in 1955 and 1957).

Eastern Germany: information received from the eastern German authorities (detail for 1950); *Direction of International Trade* (for countries not listed in 1957); *Vierteljahreshefte zur Statistik der DDR*, No. 1, 1959, pp. 20, 21 (1958); *Index*, Belgrade, No. 2, 1959 (for regrouping trade by areas so as to include Yugoslavia with the western trade area in 1958).

Rumania: from the statistics of trade partners (see *Economic Survey of Europe in 1957*, Chapter VI, Table VI-A, pp. 35-36; *Economic Bulletin for Europe*, No. 2, 1951, pp. 58, 59; No. 2,

1955, pp. 59, 69; No. 2, 1956, pp. 71, 81, No. 2, 1958, pp. 67, 77, and *Exports to and Imports from Soviet Bloc Countries*, United States Department of Commerce.

Soviet Union: SSSR v tsifrakh, Statistichesky sbornik, 1958, p. 35; *Vneshnyaya Torgovlya*, No. 4, 1958 (trade with eastern trade area in 1950); *Vneshnyaya Torgovlya SSSR s sosialistiches-kimi stranamy*, Moscow, 1957 (for estimating trade with Asian countries and western European countries, respectively, in 1950).

Net domestic product and foreign trade (Chart 1, Appendix Tables VIII and IX)

The official estimates of net domestic product and foreign trade at unchanged prices have been shown in all cases—when available. The volume of foreign trade was estimated for Hungary in 1955-1958 from national sources; the estimated changes in the volume of trade in eastern Germany, Rumania and the Soviet Union in these years (from the base year 1950) have been derived by applying the price indexes in world trade (see *United Nations Monthly Bulletin of Statistics*, No. 3, 1959, p. xv) in the closest possible approximation by commodity classes, on the assumption that prices in the trade of these countries moved roughly parallel with prices in world trade. In addition:

Bulgaria: Information received from the Bulgarian Government (net domestic product at 1939 prices in 1950 and 1951); *Statisticheskiy godishnik*, 1956, p. 22 (net domestic product at 1939 prices in 1952 and at 1952 prices in 1952-1956); net domestic product in 1958 was taken from the plan fulfilment report; volume of trade as in Table 6.

Czechoslovakia: Statistická ročenka, 1958, p. 29, and plan fulfilment report (net domestic product); volume of trade as in Table 4.

Eastern Germany: Statistisches Jahrbuch, 1955, p. 90; *Vierteljahreshefte zur Statistik*, No. 1, 1957, p. 4; *Neues Deutschland*, 18 July 1958 (net domestic product in 1950-1957); net domestic product in 1958 was estimated from output by sectors; in estimating the volume of exports the price index of manufactures in world trade was used; in estimating import volumes that of all primary commodities and of manufactures according to the weights in 1955 of these groups in imports at current prices.

Hungary: Net domestic product in 1950 to 1958 and volume of trade in 1950 to 1954 have been obtained directly from the sources quoted in Appendix Table IX; for deriving trade at domestic prices of 1954, net foreign trade subsidies (calculated as explained in footnote 8) were obtained from the available details of net domestic product in the quoted sources; the value of the balance in foreign exchange values was available from the details of disposable national income in the same sources; the details of the export subsidies and import levies making up the net foreign trade subsidy can be derived from the sources referred to for the years 1943-1956; for 1957 and 1958 this detail had to be estimated from indications in the national accounts and from information on the terms of trade in *Külkereskedelem*, No. 10, p. 32; from imports at foreign trade prices *plus* import levies the series for imports at unchanged domestic prices can be derived and the corresponding series for exports from exports at foreign trade prices *plus* export subsidies.

Poland: Rocznik statystyczny, 1958, p. 56, and plan fulfilment report for 1958 (net domestic product); volume of trade as shown in Table 6.

Rumania: Anuarul statistic, 1958, p. 69 (net domestic product at 1950 prices in 1950-1957); net domestic product in 1958 was estimated from the known details of output by sectors; in applying the quoted price index to exports and imports at current foreign trade prices the combined index of all primary commodities was applied to exports; the volume of machinery imports in 1950-1957 was given in the quoted statistical yearbook (p. 167) and assumed as roughly unchanged in 1958; to the other commodity groups the combined index of all primary commodities was applied.

Soviet Union: Narodnoe Khozyaistvo SSSR v 1956 godu, 1957, p. 42; *SSSR v tsifrakh*, p. 413, and plan fulfilment report of 1958 (net domestic product); the volume of both exports and imports has been obtained by applying the combined price index for all commodities in foreign trade in the quoted *United Nations Bulletin of Statistics* quoted above.

Commodity exchange rates between the Soviet rouble and the US dollar (Table 15)

Unit values for Soviet foreign trade have been derived from the data on value and quantity of exports and imports in 1956 in the official foreign trade statistics. Domestic factory wholesale prices were obtained from the official price catalogue, *Spravochnik tsen*, Moscow, Gosfinizdat, 1956.

The comparisons refer to broad commodity groups but are based on individual price quotations for commodities within these groups. In weighting these price quotations actual exports and imports in the years 1955-1957 have been used as weights, in order to eliminate irregularities which may appear in a single year's trade. The available price relations established for commodities within a group have been assumed to apply to the whole of the group — i.e., also to those commodities within the group for which no comparisons can be made. In some cases this system involved obvious distortions (e.g., wool had too heavy a weight in the available detail for raw materials of animal and vegetable origin) and, therefore, greater weight was given to those available items which could be regarded as appropriately reflecting price relations for the items not covered.

For machinery and equipment it was impossible in most cases to derive unit values from the foreign trade statistics; and the method of comparing domestic prices with prices on the major international markets has been applied generally. In these comparisons some allowance has been made for quality differences between Soviet-produced machinery and machinery produced in other countries (e.g., the higher specific weight of Soviet-produced machinery). Also, for some items in the food group domestic prices were compared with prices on major international markets in deriving these commodity exchange rates.

Transport costs within the Soviet Union of goods entering foreign trade have not been added to or deducted from the unit values derived from the foreign trade statistics. Domestic prices have been considered free railway station of destination—if possible (e.g., for petroleum products, metals, timber) — but otherwise prices free railway station of dispatch have been used (e.g., fuels, chemical products, machinery).

The results obtained for machinery, chemicals and unprocessed and processed food appear to be influenced to a greater than average extent by the unavoidable shortcomings of these calculations, whereas results for fuels, ores, metals, etc., for example, seem to be more dependable.

Production, foreign trade and details of trade by areas of destination and origin (Appendix Tables I to VII and XI to XIV)

The general sources quoted on the first page of these notes give the main body of information in these tables which, however, have been complemented from non-systematic sources. A list of these supplementary sources is available on request from the Research and Planning Division, Economic Commission for Europe, Geneva, Switzerland.

Corrigenda to the " Economic Survey of Europe in 1958 "

Chapter I

Page 7, 2nd column, fifth line of second paragraph, *delete* " surpluses (in current balances of payments in 1958. By contrast . . .) ".

Page 8, 2nd column, penultimate line, *read* " had " instead of " has ".

Page 9, 2nd column, first line, *read* " . . . though state . . . "

Page 9, 2nd column, 2nd paragraph, 10-11 lines, *delete* " and there was also some de-stocking of consumers' goods in eastern Germany."

Page 15, 2nd column, third line from end, instead of " were " *read* " are ".

Page 28, 2nd column, text table last line, *read* " Percentage increase over 1957 . . . 46 −14 −10 48 ".

Page 39, 1st column, 18th line, *read* " the country's long-term fuel programme.[126] A big . . . "

Chapter II

Page 12, Chart 4, " Sources and Methods ": *delete* " See Appendix B " and *insert*: " Wage costs: as for Appendix Table VII; import costs: national statistics."

Page 28, Table 8, last column, Switzerland, *read* +167 instead of +67.

Page 30, Table 9, heading of last column, *read* " . . . population aged 15-74 in 1963 ".

Page 43, 2nd column, fourth line from end, *read* " cost/price inflation ".

Chapter III

Page 4, Text table, " Other countries ": line of figures should read: −258 −476 −537.

Chapter IV

Page 3, 1st column, 2nd line, *delete* " in both countries ".

Page 4, 2nd column, 7-8 lines from end, *read* " . . . national income mentioned in section 1 of Chapter V below are operative . . . "

Chapter V

Page 2, footnote 1, last line, *read* " . . . footnote 60 in Chapter IV). "

since before the war, and the stabilization of fur and timber sales, certainly reflect to some extent calculations of relative costs, as does the large-scale development of a number of other exports (e.g., iron ore, ferrous metals, mineral oil, asbestos and apatite concentrates).

Nevertheless, the fact that the nature and degree of dependence on foreign trade of the Soviet Union are so different from those of most other countries, inevitably makes the future development of Soviet trade additionally difficult to predict, since very marked changes in its level or pattern could be brought about at relatively little cost to the Soviet economy.

The difficulty of foreseeing the future development of Soviet trade beyond the indications given by plans and trade agreements [43] is only matched by the vital importance of such development for the countries of eastern Europe. For these countries as a group, the Soviet Union provided in 1957 a market for over one-third of their exports, and supplied over 40 per cent of their imports. For individual countries the shares are much higher, e.g., 97 per cent of Albanian and 78 per cent of Rumanian turnover in 1957. More than half of the total value of Soviet exports to eastern Europe is accounted for by fuels and raw materials, more than 20 per cent in 1957 by food (about 12 per cent in 1956), and about another 10 per cent (more in 1956) by equipment.[44]

The character of the Soviet Union in the early 1950s as an importer from eastern Europe of scarce fuels and materials, or of very fuel- and material-intensive semi-manufactured and manufactured products, has been progressively modified ; and in 1957-1958 increased supplies from the Soviet Union of many such products played a large part — as already noted above — in easing production difficulties in the area, while the Soviet Union provided a somewhat easier export market than before for relatively " soft " goods. The Soviet Union is now a major supplier to eastern European countries of iron ore, ferrous and non-ferrous metals, cotton and cereals, and a marginal supplier of fuels, some chemicals and fertilizers and various other products, including rubber.[45] The possibilities of further growth of these supplies in future are vital for the latter countries, as is a widening market in the Soviet Union for the equipment and consumers' goods that already constitute the bulk of the exports of the more industrialized eastern European countries.

[43] See section 2 below.

[44] See Appendix Table XIII.

[45] In Czechoslovakia, for example, imports from the Soviet Union as a percentage of total imports were as follows in 1957: iron ore 73, copper 71, lead 65, tin 67, nickel 85, crude oil 97, synthetic rubber 71, cotton 54, oil-seeds 69, butter 89, and grain 97 (*Hospodářské Noviny*, 21 December 1958); and similar proportions are recorded in other countries also.

2. Plans for Economic Development and Specialization

(i) The 1959-1965 plans for over-all growth of output and trade

As has been noted elsewhere in this *Bulletin*,[46] all the eastern European countries and the Soviet Union have recently been elaborating new long-term plans for the years up to 1965, within the framework of " perspective " plans culminating in 1975. Virtually no details of the perspective plans have yet been published, except in Poland, and data on even the new five- or seven-year plans are scanty. In those countries which have published any significant amount of information — Czechoslovakia, eastern Germany, Poland and the Soviet Union — the plans postulate rates of growth of industrial output always below those recorded during 1950-1955, but not very different from those of the more recent past.[47] By contrast, agriculture is expected to progress far more favourably than in the past in both Czechoslovakia and the Soviet Union, assuming benefits from higher investment and other inputs, and also from more effective price incentives and from institutional changes. In Poland, the rates of growth of agricultural output achieved in the recent past are expected to be maintained.

The increases in external trade expected to support the general economic expansion foreseen in the new plans have been indicated only in a few countries. According to the statement issued to the press on 16 May 1959, at the conclusion of the latest meeting of the Council for Mutual Economic Aid in Tirana, the volume of trade among the member countries is expected to rise by 70 per cent between 1958 and 1965, or at a rate of some 8 per cent a year ; and this, though high, must be considerably less than the rate of growth of the volume of intra-trade of the area from 1950 to 1957.[48] The increase expected in the total external trade of the area has not been stated.

Individual countries have also given some indications of their expectations. The Seven-year Plan for

[46] See " Current Economic Developments in Europe ", section 1.

[47] *Loc. cit.*, Tables 1 and 2.

[48] The rise in the value of total turnover in intra-trade during the period was 120 per cent, and such indicators of price changes as exist do not suggest any very significant change in the general price level at which this trade was conducted.

the Soviet Union envisaged a 1½ times increase in trade turnover with other socialist countries between 1958 and 1965; and the hope was expressed that trade with capitalist countries will also expand. If this expansion were no greater than the rate of growth planned for trade with socialist countries, the share of foreign trade in Soviet national income would fall over the period, since the envisaged expansion of national product is of the order of 62 to 65 per cent. Shortly after publication of the Plan, however, the Minister for Foreign Trade of the USSR expressed the hope that total foreign trade turnover might double during the seven-year plan period.[48 a]

Poland certainly foresees a rather slower growth of trade than of output, with total trade turnover rising by 46 per cent and net domestic product by 60 per cent from 1958 to 1965; and there is an even more striking contrast between the 41 per cent rise in imports of fuels and raw materials alone and the planned growth of industrial production over the same period by some 82 per cent. Exports will be increasingly concentrated on manufactured goods, especially equipment.

Plans for Polish foreign trade

	1958	*1965 Plan*	*Percentage increase*
	Millions of dollars		
Imports	1 227	1 729	41
of which:			
Fuels and raw materials	661	930	41
Exports	1 059	1 609	52
of which:			
Machinery and equipment	285	628	120
Fuels and raw materials	538	595	11
Unprocessed and processed food	178	293	65
Consumers' manufactures	58	93	60

Sources: Biuletyn statystyczny, No. 2, 1959; and *Trybuna Ludu*, 22 March 1959.

While this represents a continuation of the past trend towards a reduction of the import content of industrial output in Poland, it is more surprising to see that Czechoslovakia also is apparently planning for a growth of external trade by only 58 per cent from 1958 to 1965, whereas industrial output during the same years is expected to rise by just over 75 per cent. The comparable increases in the volume of trade turnover and of industrial production from 1950 to 1957 were 101 per cent and 105 per cent.

Czechoslovakia has also published figures which permit a calculation of the expected area distribution of trade in 1965. These indicate a faster expansion of trade with other members of CMEA than with the rest of the world, and suggest a rather surprising fall in trade with Yugoslavia and those countries of the eastern trade area which are not members of CMEA.[49] According to the Plan, the share of the Soviet Union in Czechoslovakia's foreign trade will rise by 1965 to 42 per cent, and that of all other countries of the eastern trade area will be about 32 per cent (or significantly less than in 1958).

Planned foreign trade turnover of Czechoslovakia

	1958	*1965 Plan*	*Percentage increase or decrease (−)*
	Millions of dollars		
Soviet Union	949	1 898	100
Other members of CMEA	805	1 260	56
Other socialist countries [a]	268	202	−25
Rest of world	848	1 180	39
Total	2 870	4 540	58

Sources: Rudé Právo, 7 July 1958 and 25 April 1959; and *Statistické Zprávy* No. 2, 1959.
[a] Including Yugoslavia.

For eastern Germany, few data on the expected development of external trade are available, and such as exist may not be fully consistent with each other. However, foreign trade turnover is stated to be planned to rise by 75-80 per cent from 1958 to 1965,[50] implying a yearly rate of increase between 8 and 9 per cent, accompanying a planned rate of growth of industrial output of rather over 9 per cent, and considerably raising the "import content" of national income. It has also been stated, in another source,[51] that exports should rise by 53 per cent over the level planned for 1959, which suggests a faster growth of imports than of exports over the plan period as a whole if both figures quoted are consistent. The area distribution of trade is expected to remain broadly unchanged, and concentrated to the extent of some 73-75 per cent on the eastern trade area. However, within the quarter intended for the western market, trade with under-developed countries is expected to increase its share to one-half of total trade with western countries (probably excluding western Germany).

Finally, in Hungary, certain trade plans have been published, though the only other data on the long-term plan yet available are a few output targets for particular branches or commodities and an estimate of a 6½-7 per cent annual rise in total industrial production.[52] The trade plans show a tendency for an increasing concentration of trade within the eastern trade area, which will supply 75 per cent of imports, and absorb the same percentage of exports

[48 a] *Pravda*, 18 February 1959.

[49] i.e., China, north Korea, north Viet-Nam and Mongolia. This category of trade is a residual from the data given in the quoted sources.

[50] *Die Wirtschaft*, 22 April 1959.

[51] *Die Wirtschaft*, 18 February 1959.

[52] *Népzabadság*, 14 May 1959. See also "Current Economic Developments in Europe", Table 3, and Appendix Table IV, in this *Bulletin*.

during 1961-1965, as compared with 71 per cent and 64 per cent respectively in 1957 :

Hungarian trade : Annual average within each plan period

Millions of dollars

	1950-1954	*1960 Plan*	*1961-1965 Plan*
Exports	554	887	1056
of which:			
To eastern trade area	418	606	798
To western trade area	136	281	258
Imports	562	789	1021
of which:			
From eastern trade area	379	531	763
From western trade area	183	258	258

Sources: Adatok és adalékok, pp. 293, 298; *Külkereskedelem*, No. 7, 1958, p. 7; and No. 1, 1959, p. 11.

If it is assumed that there will be an even rate of growth of external trade during 1961 to 1965, the above figures would imply a level about one-third greater in the last year of the plan period than in 1958, or a rate of growth of about 4½ per cent a year from 1959 onwards.

Thus, none of the relevant data so far published in eastern Europe and the Soviet Union, apart from those for eastern Germany, seem to imply an intention to rely on foreign trade to a much greater extent in the future than in the past. On the other hand, there has undoubtedly been an attitude of "safety first", at least in eastern Europe, towards plans for expanding trade with western countries in view of market uncertainties and other difficulties. The trade plans as published probably represent something between the essential minimum needed to support the planned growth and pattern of domestic expenditure, and the level which the countries concerned might hope to achieve in favourable conditions. In Poland, however, doubts about export possibilities have induced planning of something like a "minimum" level of imports in 1965, and of a pattern of national expenditure that might well be modified in some respects if trade prospects improved.

(ii) Plans for intra-area trade and specialization

The Investment and Production Plans

Little is as yet known of the detailed structure or phasing of the investment plans for the years up to 1965. Those countries which have published data on investment plans show, in Poland and Czechoslovakia, average annual rates of growth of gross fixed investment during the new plan periods somewhat below those of the last few years but, as has been noted elsewhere,[53] the investment rates planned for 1959 are generally so high as to suggest a special investment effort in the early years of the new plans. In the Soviet Union also, state fixed investment over the whole seven-year period is expected to rise more slowly (by 7 per cent a year) than in the recent past ; but this growth is to proceed from a very high 1958 level and, in addition, investment outside the state plan — collective agriculture, non-state housebuilding and "decentralized" investment — is expected to increase very substantially, and to equal in volume about half the state investment during the plan period.[54] The implication of the present output and investment plans is thus a rise in the capital-to-output ratio, which some authorities have suggested is unjustified by the composition of investment.

1959-1965 Plan aggregates as percentage of 1952-1958 aggregates

	Gross capital formation		*Output* [a]	
	State	*Total*	*Net*	*Gross*
Industry	192	192	..	186
All productive sectors	183	193	171	..

[a] Assuming an even rate of growth during 1959 to 1965.

It may well be either that investment targets have deliberately been set rather too high, to allow for under-fulfilment, or that the plan as at present drafted represents a combination of regional estimates of investment needs and resultant productivity growth which, after further screening, will be found to be not entirely consistent.[55] Thus, it is possible that some of the Soviet investment targets shown in Table 7 may be revised.

The changes in the distribution of investment shown in the table are in directions which seem to be followed also in eastern Europe. Agriculture and housing are everywhere to receive a larger share of resources than in the early 1950s ; and within industry, development of chemical production is given high priority (for example, the DM 9 billion to be devoted to investment in the chemical industry in eastern Germany during 1959-1965 is roughly equal to total fixed investment in the whole economy in 1956). Such industrial production plans as exist show everywhere a higher than average rate of growth of output in the chemical industry, and the gross output of this branch in the CMEA area as a whole is to be tripled between 1958 and 1965.[56] The tendency of this development will be not merely to restrict the rise in demand for imports of a number of products from outside the area, but actually to replace some existing

[53] See "Current Economic Developments in Europe", section 1 and Table 1, in this *Bulletin*.

[54] Collective farm investment is to amount to 345 billion roubles in 1959-1965 as compared with about 135 billion in the preceding seven years. Non-state investment in housing is to rise by 120 per cent.

[55] See Academician S. Strumilin, *Literaturnaya Gazeta*, 2 December 1958. He puts forward the second explanation of this phenomenon.

[56] See "Current Economic Developments in Europe", Table 3, in this *Bulletin*, and p. 64 below.

TABLE 7

Distribution of state gross fixed investment in the Soviet Union

	1952-1958	1959-1965 Plan	1952-1958	1959-1965 Plan
	Billions of roubles		Percentage distribution	
Engineering	66	118	6	6
Chemicals	20	100-105	2	5
Fuel and power	209	370-380	20	19
Construction and construction materials	62	100-112	6	6
Light and food industry [a]	65	138-145	6	7
Metals and miscellaneous [b] [c]	170	264-328	16	15
Total industry and construction [c]	592 *	1 124-1 154	56 *	58
Agriculture	116 *	150	11 *	8
Transport	107	209-214	10	11
Housing and municipal services	208	375-380	19	19
Other non-productive sectors	43	80	4	4
Total state investment	1 066	1 940-1 970	100	100

Sources: *Pravda*, 14 November 1958, and 28 January and 8 February 1959; *SSSR v tsifrakh*, 1958, p. 261; *Vestnik Statistiki*, No. 4, 1959, pp. 93-94.

NOTE. — Values are at 1955 prices corrected for the construction tariffs of 1956. State investment comprises only investment in the state plan. It excludes investment in collective farms and in non-state housing and "decentralized" investment which is planned and carried out by enterprises and public corporations outside the state plan. Total gross investment during 1959-1965 is forecast at about 3,000 billion roubles.

[a] Including timber and paper products.

[b] The figures for ferrous metals only are 41 and 100 respectively in the two periods.

[c] No indications are given as to whether trade investments are included under this heading or in the non-productive sectors.

imports of, for example, textile raw materials, hides and rubber.[57]

Extremely high rates of growth of output are clearly intended in the area as a whole for non-ferrous metals also; and the rise in production of energy, ferrous metals and other materials based on natural resources within the area is apparently intended to be adequate roughly to keep pace with the growth of processing capacities and at least to maintain the present degree of area self-sufficiency. Such data as exist on the details of plans for investment and output thus tend to support the impression, given by the over-all trade and production plans, of an intention to keep the import dependence of the area as a whole at a rather low level — especially in the basic sectors of production (including food) — although the absolute volume of trade with the outside world can be expected to rise.

The prospective changes in the labour force in the countries of the area during the next long-term plan period differ so widely that it might be expected that — in the absence of plans for large-scale international movements of labour or capital — these would exercise a marked influence on the distribution of investment and production tasks within the area. Labour is already relatively scarce in eastern Germany and Czechoslovakia; and the population of working age will actually decrease in the former country between 1960 and 1965 (see Table 8). In Hungary, the rate of increase will be relatively low — from a total active-age population already less in 1960 than in 1955; but, at the other extreme, Poland will experience a very rapid expansion of the potential labour force. Bulgaria can expect a rate of growth

[57] The apparent Soviet plans for eliminating net imports of wool provide an example. Increased investment in sheep farming is to produce a 90 per cent increase in the domestic wool clip between 1957 and 1965 and this, together with new production of synthetic fibres, will eliminate net imports of wool by 1956, despite a 77 per cent rise in output of wool (including synthetic) fabrics:

	Unit	*1956*	*1957*	*1965 Plan*
Domestic wool production	Thousand tons	261	289	548
Net wool imports [a]		65 *	80 *	..
Domestic wool consumption		326	369	..
Production of wool fabrics	Million metres	268	283	500

[a] Statistics quoted on a washed basis approximately converted to a greasy basis.

The planned domestic wool clip at the inputs per metre shown for 1956 and 1957 would suffice for some 440 million metres in 1965 and the balance of 60 million metres will almost certainly be satisfied by synthetic wool: the Deputy Chairman of the State Committee for Chemicals has stated that in 1965 450 million metres of wool textiles will contain synthetic fibre (*Promyshlenno-ekonomicheskaya Gazeta*, 18 January 1959). Some imports of fine wool, a growing share of Soviet purchases, may well take place but these would — on the above computation — be offset by sales of coarse wool (of which current exports almost wholly consist).

In addition, synthetic materials are to be incorporated into 1,237 million metres (83 per cent) of all silk fabrics (*loc. cit.*, Mr. Khrushchev, *Pravda*, 20 February 1959, later gave the figures as 1,437 million metres or 97 per cent). In total, the planned use of synthetics is equivalent to 10 metres of extra production per capita (out of the increment of 15 metres over the seven-year period), or to 350,000 tons of raw cotton a year, and the wool production of 80 million sheep (*ibid.*). It is moreover intended that some 18 per cent of Soviet shoe production planned for 1965 should contain synthetic leather (as compared with 13 per cent in 1957). This will save the equivalent of $2^1/_2$ million cattle hides and 4 million skins of pigs, sheep and goats. Production of synthetic detergents and fat substitutes in 1965 will save equivalent consumption of 400,000 tons of vegetable oils.

TABLE 8

Estimated changes in the population of working age in five eastern European countries

Age group 15-59 years

Country	Thousands			Percentage of total		Percentage annual increase
	1955	1960	1965	1960	1965	1960 to 1965
Bulgaria	4 783	4 976	5 201	62.8	63.1	0.9
Czechoslovakia	7 876	8 018	8 342	58.2	58.1	0.8
Eastern Germany	10 853	10 456	10 014	58.6	55.0	−0.8 [a]
Hungary	6 095	6 055	6 194	59.3	57.9	0.4
Poland	16 624	17 074	18 366	56.9	56.6	1.5

Source : Economic Survey of Europe in 1957, Chapter VII, Table VII-C, pp. 56-57. [a] Emigration may still further accentuate the decrease.

little different from that in Czechoslovakia, though from a situation in which a large reserve of underemployed labour (in agriculture and elsewhere) already exists.

However, there has been little indication that the sector distribution of investment within these countries, or the more detailed plans for specialization reviewed below, have as yet been very greatly influenced by these, and other, contrasts in resource endowments and relative production costs. One exception to this general impression is provided by the plans for agricultural investment in Bulgaria, which are both labour-intensive in themselves [58] and directed, in part, to promoting a labour-intensive pattern of agricultural production concentrated increasingly on livestock, fruit and vegetables. On the other hand, the two most industrialized countries of the area with greatest relative labour scarcity — eastern Germany and Czechoslovakia — both aim at lessening dependence on imports of basic foodstuffs ; [59] and the maintenance of virtual self-sufficiency in basic food supplies, and some other agricultural products (such as cotton, tea and apparently wool), is one aspect of the agricultural plans of the Soviet Union. However, all three countries plan to expand imports from Bulgaria and Albania of tobacco, fruit and wines.[60]

[58] Including considerable irrigation and other soil-improvement work.

[59] Czechoslovakia plans to reduce the input of imported supplies to domestic food-processing industries from 17 per cent in 1957 to 14 per cent in 1965 (*Hospcdářské Noviny* No. 33, 1958) and to reduce the share of foodstuffs in total imports from 23 per cent in 1958 to 15 per cent by 1965 and 5 to 7 per cent by 1975. Food exports (mainly sugar and malt) should remain at 5 to 7 per cent of all exports (*Plánované Hospodářství* No. 9, 1958). Eastern Germany aims at raising output of animal products during 1961 to 1965 sufficiently to cover total domestic consumption from its own output. (See *33. Tagung des Zentralkommittees der SED*, Berlin, 1957, p. 73). An article in *Wirtschaftswissenschaft*, No. 2, 1958, p. 178, which quotes this decision, includes the following comment: " each national economy should develop all the basic branches of agricultural production for itself, even if conditions of production (i.e., factor endowments) are the least favourable ".

[60] See the SURVEY for 1957, Chapter VI, pp. 20-21.

The Soviet Union as a Supplier

The Soviet Union's role as a major supplier of raw materials and fuels to eastern Europe is planned to continue ; and some of its aspects are illustrated by the data in Table 9. Soviet supplies to Czechoslovakia are said to account for the bulk of planned imports in 1965 of the products for which data are available, and deliveries of 1 million tons of grain a year are also planned. The rise of 140 per cent expected in Soviet petroleum production will provide a surplus sufficient to raise exports to eastern Europe to six times their 1958 level by 1965 ; and Soviet supplies of coking fines to eastern Europe are also to increase.

The planned doubling of Soviet iron ore output is intended to permit increases in supplies of both iron ore and pig iron from that country to eastern Europe, of 120 per cent and 170 per cent respectively ; and the whole increment of east German pig iron consumption over the plan period will be supplied by imports from the Soviet Union.[61] Soviet exports of apatite concentrates to eastern Europe are planned to rise by 150 per cent from 1958 to 1965, and exports of machinery and equipment by 120 per cent.

Fewer data are available on the intended means of payment than on detailed plans for supplies from the Soviet Union to eastern Europe. It is to be expected that deliveries of machinery and equipment — expected to be two to three times greater in 1965 than in 1958 for the other CMEA countries as a group — will make up the bulk of the former trade. In Czechoslovakia it has been stated that 60 per cent of all sales to the Soviet Union in 1965 will be of equipment, especially for the chemical industry.[62] Equipment is likely to supply the bulk of exports from eastern Germany and Hungary also during the new plan

[61] For a summary of the main increases planned in production of basic raw materials and fuels in eastern Europe and the Soviet Union, see the *World Economic Survey, 1958*, Chapter 4, and especially Table 46, and Appendix Tables I to VII below. For supplies from the Soviet Union to eastern Europe, see *Voprosy Ekonomiki*, No. 3, 1959, p. 38.

[62] *Rudé Právo*, 25 April 1959.

TABLE 9

Planned supplies of fuels and raw materials from the Soviet Union to eastern Germany and Czechoslovakia in 1965

In thousands of tons

	Eastern Germany			Czechoslovakia	
	From the Soviet Union		From all sources	From the Soviet Union	
	1957	1965 Plan	1965 Plan	1957	1965 Plan
Coke	928	1 550	..	—	..
Crude petroleum	1 045	4 800	5 000	1 191	5 250
Iron ore	1 527	..	..	3 608	10 100
Pig iron	412	1 600	1 635	148	..
Rolled steel	613	1 560	2 000	4	..
Copper	15	43	..	22	..
Aluminium	18	85	95	20	..
Phosphates	151	320	..	49	118
Rubber	13 [a]	..	28 [a]	6 [b]	19 [b]
Sawn wood [c]	406	1 200	1 545	185	..
Cellulose	23	54	122	7	..
Cotton	76	..	152	45	60

Sources: Vneshnyaya Torgovlya SSSR za 1957 god, Moscow, 1958; *Neues Deutschland*, 11 July and 25 October 1958; *Rudé Právo*, 7 July 1958 and 25 April 1959; and *Hospodářské Noviny*, 27 July 1958.

[a] Natural rubber. [b] Synthetic rubber. [c] In thousands of cubic metres.

period; but other eastern European countries appear to be hoping that increased exports of consumers' goods to the Soviet Union will also prove possible.

Co-operation under the Auspices of the Council for Mutual Economic Aid

The plans for specialization within the area under the auspices of the CMEA provide some more detailed indications of the probable patterns of development of output and of inter-member trade.[67]

The Council has become increasingly active during the last two years or so, during which its member countries have been elaborating their new long-term plans. Its primary aim has been to ensure that the reappearance of area-wide scarcities of vital products can be avoided in the new phase of planning now beginning.[68] Its second main purpose — as in the more distant past — has been to encourage some specialization (particularly in industrial production) among its members, sufficient at least to realize the economies of large-scale production for the area as a whole.[69] In pursuing these aims it has encountered certain inevitable problems, both of principle and of practice. All member countries have formally accepted the desirability of a rapid transformation of the economically less developed countries into industrialized economies with diversified production structures; and it is apparent that any idea of carrying specialization to the lengths of foregoing the establishment of any major branch of production in a particular country has been tacitly rejected.[70] However, this approach tends to conflict both with the desire of the more industrialized countries for assurance of supplies of basic fuels and raw materials and with short-term considerations of economically efficient location of industry. The common determination to achieve very rapid eco-

[67] For data on actual and planned production and trade of 66 selected industrial products, see Appendix Tables I to VII.

[68] Anxieties on this point have been frequently expressed, For example: "In spite of intense foreign trade and, as a whole. steadily expanding markets, there are important parts of our industrial capacities less than fully utilized, and expansion rates were too low during recent years. The main reason for this is the lack of basic and raw materials, as is well known, not only in our country but in the whole socialist camp." (*Die Wirtschaft*, 5 December 1957), or: "These not unreconcilable and not insoluble contradictions [in the production structures and plans of the area] have appeared mainly as disproportions between the raw-material-producing and the processing industries. There are shortages of some of the principal raw materials, whereas excess supply is manifest in certain products of the processing industries." (*Társadalmi Szemle*, No. 11, 1958, p. 86).

[69] This has been the aspect of the Council's work most strongly emphasized in the past by Mr. Khrushchev, among others (see the SURVEY for 1957, Chapter VI, p. 31, footnote 45); and its application to the eastern European countries, rather than to the vast market of the Soviet Union, is particularly stressed.

[70] The desirability of "all-round development" of the productive capacity of each and every country has again been stressed in a recent article in the journal of the Soviet Ministry of Foreign Trade (*Vneshnyaya Torgovlya*, No. 4, 1959, pp. 6-14) which repeats in rather extreme form the (by now widely accepted) view that comparative cost criteria alone cannot — without considerable modification — provide the basis for trade between countries at widely differing stages of industrial development.

nomic growth and the resulting sense of universal pressure on investment resources tend to discourage capital exports by the richer countries of the area, particularly since interest rates on intergovernment credits are artificially low (the usual rate is stated to be 2 per cent per annum). At the same time, it makes all countries reluctant to carry the "burden" of very capital-intensive investment in production for export to other members of the area, particularly since price relationships in intra-area trade tend inadequately to reflect real costs (including capital costs) within the area. The fact that inter-member trade and payments relations are conducted on a strictly bilateral basis likewise encourages a certain hesitancy about planning greatly increased dependence on imports from any one country — or even a large expansion of exports towards a country whose ability to offer acceptable direct exports in return is doubtful.[71] Finally, criteria for specialization requiring more than a rather crude consideration of relative resource endowments or of indicators of relative technical efficiencies of production could, in any case, hardly yet be effectively applied given the difficulties of inter-country comparisons of cost structures or of national output and expenditure aggregates.

Recognition of these difficulties seems to lie behind the increasing stress, in recent authoritative pronouncements, on the "co-operative" as distinct from "supra-national" nature of the CMEA, and on the need for unanimity before any proposal for joint decision or action can be accepted.[72] Thus, the specific plans for specialization reviewed later in this section must be regarded as no more than indications of what the countries concerned are at present prepared to undertake. Like the national plans themselves, they may well be modified as time goes on.

Efforts are, however, being made to improve the methodological basis for joint planning in this field. Standardization of statistical concepts and definitions has already made some progress;[73] and the setting up of an Economic Committee of CMEA has been initiated, to consider such questions as the economic principles which should determine division of labour among socialist economies. However, such decisions on specialization as have so far been taken seem to have been based mainly on the principle of a rather rough-and-ready sharing of investment burdens and of "equality of sacrifice" in giving up some relatively narrow fields of production where this will enable economies of scale to be realized by the area as a whole.[74]

The known standing committees of the CMEA, and the seats of their secretariats, are as follows:

Coal, Warsaw
Petroleum and natural gas, Bucharest
Ferrous metals, Moscow
Non-ferrous metals, Budapest
Engineering, Prague
Chemicals, Berlin
Light and food industry, unknown
Construction, unknown
Agriculture, Sofia
Transport, Warsaw

The ninth session of the Council, held in Bucharest in June 1958, was reported to have set up a Standing Economic Committee; but it is not clear whether this is yet in effective operation.

The co-operation schemes initiated by the Council have continued, as in the past, to be concentrated in the fields of fuels and power, chemicals, engineering, metals and transport.[75] Inter-member capital flows remain very small; and recent credit arrangements involve, exclusively, credit from the Soviet Union and Czechoslovakia (see Table 10).

The Council sessions of 1955 and 1956 had decided on specialization arrangements covering 27 types of metal products, 90 types of machinery, 23 chemical products and 16 groups of farm produce.[76] These agreements were not fully effective, because of the reconsideration of production and other plans precipitated in all countries of the area by the events of late 1956. However, in the engineering field, a

[71] The limited scheme, set up in 1957, for a multilateral clearing to supplement the normal bilateral payments relationships among member countries seems to have been virtually inoperative.

[72] See, for example, an article by the Chairman of the USSR Gosplan, *Pravda*, 28 April 1959.

[73] For example, a common classification of external trade statistics has already been accepted, and discussion of national accounting practices—with a view to standardization, or at least identification of differences—is proceeding.

[74] In addition, some standardization of production, facilitating trade among member countries, must also have been encouraged by the copious exchange of technical information, of which the following figures (apparently covering the years 1950 to 1958), provide an illustration:

Exchange of technical and scientific documentation between the Soviet Union and six members of the Council for Mutual Economic Aid

	Bulgaria	*Czechoslovakia*	*Eastern Germany*	*Hungary*	*Poland*	*Rumania*	*Total*
Capital construction projects							
Received by Soviet Union . . .	8	37	5	9	15	4	78
Handed over by Soviet Union .	152	99	21	119	110	84	585
Blueprints of machinery and equipment							
Received by Soviet Union . . .	15	344	164	108	112	69	812
Handed over by Soviet Union .	322	387	90	269	380	282	1 730
Description of technological processes							
Received by Soviet Union . . .	35	271	101	179	103	53	742
Handed over by Soviet Union .	197	239	105	190	213	102	1 046

Source: "Foreign Trade of the USSR", by V. Alkhimov and V. Mordvinov *Soviet Booklet*, No. 37, p. 17.

[75] For developments to the end of 1957, see the SURVEY for 1957, Chapter VI, section 5.

[76] *Társadalmi Szemle*, No. 11, 1958, p. 84.

TABLE 10

Recent industrial co-operation agreements, involving credit among eastern European countries and the Soviet Union

Industry and receiving country	Creditor country	Date	Description of scheme	Amount of credit in millions of dollars
Chemical industry				
Hungary	Soviet Union	December 1958	Construction of oil refinery	75
Bulgaria	Soviet Union	December 1958	Construction of oil refinery and electric power plant	32.5
Hungary	Soviet Union	November 1958	Construction of nitrogenous fertilizer plant	27.5
Eastern Germany	Soviet Union	August 1958	Development of synthetic fibres and plastics production	27.5
Metals				
Bulgaria	Soviet Union	July 1958	Extension of metallurgical and coking plants	10
Mining				
Poland	Czechoslovakia	May 1958	Development of coal production	62.5
Albania	Czechoslovakia	January 1959	Exploitation of iron and nickel ores	Unknown
Mining and other industries				
Albania	Soviet Union	December 1958	Delivery of equipment and technical assistance for projects of the 1961-1965 Plan	75

Sources: Official press releases from the participating countries.

NOTE. — For earlier similar schemes, see *Economic Survey of Europe in 1957*, Chapter VI, Table VI-R, pp. 55-58.

considerable number of specialization agreements, based to some extent on those earlier negotiations, are gradually being put into effect. These take into account not only the desirability of production in large series, but also the danger of excess capacity in general if all countries continue past rates of expansion in this field. Thus the Soviet Union is apparently planning to stabilize production of metal-cutting machine tools after 1960 at a level (200,000 units as compared with 138,000 in 1958) which leaves scope for continuing expansion elsewhere; and, at the same time, agreement has been reached on a reduction of the number of types to be produced in eastern Europe, particularly by the smaller countries. Similarly, an allocation of types of equipment for ball-bearings factories has been agreed at the latest (eleventh) meeting of the Council in Tirana.

The same meeting also agreed on specialization schemes in production of mining machinery, rolling-mill equipment, loading equipment and chemical equipment. Of mining machinery, Czechoslovakia and eastern Germany are to produce coal-cutters for open-cast mines of the bucket-chain type, the Soviet Union those of the scoop-bagger type, Rumania and the Soviet Union mineral-oil drilling equipment. Heavy rolling-mill equipment is to be produced mainly by Czechoslovakia and the Soviet Union, small-section equipment by eastern Germany and Poland, and wire-drawing machinery by eastern Germany and Hungary.

For electricity generating equipment, the two major fuel-producing countries — the Soviet Union and Poland — have announced formidable expansion programmes, partly intended to supply other countries.

Number of types produced

	70 metal-cutting machine tools covered by agreement [a]		*Equipment for producing ball-bearings*
	Before specialization	*After agreement*	*After specialization agreement*
Bulgaria	25	13	..
Czechoslovakia	..	..	10
Eastern Germany	64	56	40
Hungary	20	16	..
Poland	40	35	10
Rumania	14	6	..
Soviet Union	..	..	55

Sources: Wirtschaftswissenschaft No. 5, 1958, p. 669; *German Export* No. 2, 1959, p. 18; *Plánované hospodářství*, No. 6, 1959, p. 408; and press release of 16 May 1959 on Tirana Conference.

[a] For all metal-working machine tools, the results of specialization agreements eliminating some duplicate production are as follows:

	Number of types produced in all member countries	
	Before	*After*
Metal-cutting machine tools	1 893	1 333
Non-cutting machine tools	1 454	1 007
All metal-working machine tools	3 347	2 340

Steam and hydro-turbines

	1955	*1957*	*1960 Plans*	*1965*
Production in MW				
Czechoslovakia	1 004	964 [a]	..	..
Poland	19	65	255	550
Rumania	15	23	..	..
Soviet Union	5 561	5 370	13 100	18700-20400
Imports into Soviet Union	489	15	..	..

[a] 1958.

Eastern Germany foresees a 75 per cent rise in production of such equipment between 1958 and 1965, largely for domestic installation, but including 1,500 MW for export to mainland China and the United Arab Republic.[77]

Eastern Germany and Czechoslovakia are also expected to be major producers of chemical equipment for the rapid capacity expansion planned in every country of the area; and Czechoslovak output is to be nearly six times as great in 1965 as in 1957 (159,000 tons, compared with 27,000), with deliveries to the Soviet Union alone amounting to $486 million during 1961 to 1965.[78] (Czechoslovak exports of all goods to the Soviet Union in 1958 were $497 million.) Eastern Germany, too, will be an exporter of such equipment, but will need to import also in order to cover the DM 4.4 billion needs of its investment programme for 1961 to 1965 in the chemical industry.

Production of chemical equipment

	Output in 1958 (Thousands of tons)	*Planned output in 1965* (Value in 1958 = 100)
Czechoslovakia	41	442
Eastern Germany	.. [a]	265
Hungary	..	310
Poland	37 *	270
Rumania	11	365
Soviet Union	132	325
All members of CMEA	..	c. 340

Sources: Appendix Tables II to VII; and *Die Wirtschaft*, 15 April 1959.

[a] Value of output: DM 417 million.

The nine maritime shipyards and the 23 shipyards for inland water transport of the area are to carry out a specialization by size and type of their production programmes. The Soviet Union will construct maritime vessels up to 25,000 GRT, particularly tankers and special fishing vessels. In the size group 5,000 to 15,000 GRT, Poland and eastern Germany will also participate, whereas in the 1,000 to 5,000 GRT category Bulgaria and Rumania will also have their share.

Co-operation in the delivery of complete sets of equipment for industrial plants, which has been already developed to some extent by Czechoslovakia and eastern Germany, is also to be taken up in the framework of the Council; and this may well become of greater importance, particularly for trade with the less industrialized countries. The scale of this trade in recent years can be seen from the data in Table 11.

The tenth session of CMEA, held in Prague in December 1958, concentrated particularly on the ferrous metals and chemicals programmes; and in the former case decided upon a revision of the

[77] *Neues Deutschland*, 23 May 1959.

[78] *Hospodářské Noviny*, 14 December 1958.

TABLE 11

Exports of complete sets of equipment from four eastern European countries and the Soviet Union

Millions of dollars at current prices

	1955	1956	1957	1958
Czechoslovakia [a]	137	136	134	163
Eastern Germany [b]	71	77	113	147
Hungary [c]	9	7	11	32
Poland	7	13	15	19
Total of four eastern European countries	224	233	273	361
Soviet Union	277	300	322	..
of which to:				
Eastern Europe	130	65	50	..
Asian countries in the eastern trade area	146	227	223	..
Overseas countries	1	8	49	..

Sources: Appendix Tables XIII and XIV; *Der Aussenhandel*, 8 October 1957; information received from the Polish Government; *Statistické Zprávy*, No. 5, 1959, p. 20; *Neues Deutschland*, 3 February 1959; *Külkereskedelem*, No. 3, 1959, p. 3; and *Statystyka Handlu Zagranicznego*, 1958, p. 7.

[a] Czechoslovakia exported, *inter alia*, complete power plants with a capacity of 1,520 MW, seven rolling mills, coke-oven plants and cement works to the eastern trade area (excluding the Soviet Union) in the years 1945 to 1957 (see *Rudé Právo*, 26 June 1958).

[b] Eastern Germany has delivered in the last few years 24 power plants with capacities up to 50 MW, three sulphuric acid plants with yearly capacities of 50,000 tons, five staple-fibre plants with daily capacities of up to 60 tons, and five synthetic-fibre plants, 78 cements factories with a daily capacity of up to 1,200 tons, six cotton mills of 50 to 10,000 spindles, six weaving mills, four sugar factories with a daily capacity of between 800 and 2,000 tons, etc. (see *Die Einheit*, No. 6, 1958, p, 833).

[c] These are comprehensive figures which differ from those in Appendix Table XII where specified equipment is shown according to type.

old Steel Shapes Co-operation Agreement,[79] aiming at co-ordinating production plans so as to prevent threatening scarcities, and to avoid loss of production consequent on too frequent changes of profiles in individual countries. Nevertheless, the tendency for each country to build up a significant steel industry is not being modified; and it seems that while, as noted above, the Soviet Union will become an even more important supplier of steel-making materials to eastern Europe, its share in the steel-making capacity of the area will be slightly reduced (see Table 12).

In the non-ferrous metals sector a relentless drive for expansion of all available domestic deposits continues. Eastern Germany, for example, intends to complete a nickel plant at St. Egidien, which should render imports superfluous.[80] Czechoslovakia is reported to be co-operating with Albania in the development of ferro-nickel extraction in that country,[81] and the Soviet Union has been participating for the last two years in the construction of a lead-zinc refinery in Bulgaria.[82] Exploitation of Polish

[79] See official press release of 16 December 1958, and *Hospodářské Noviny*, 21 December 1958.

[80] *Neues Deutschland*, 11 July 1958.

[81] See *Hospodářské Noviny*, 21 December 1958.

[82] See *Economic Survey of Europe in 1957*, Chapter VI, Table VI-R, p. 55.

TABLE 12

Production of steel in eastern Europe and the Soviet Union

	Millions of tons		Percentage share	
	1958	1965 Plan	1958	1965 Plan
Crude steel				
Bulgaria	0.21	0.90	0.3	0.8
Rumania	0.93	..	1.3	..
Hungary	1.63	..	2.3	..
Eastern Germany	3.04	..	4.2	..
Poland	5.63	9.00	7.8	7.6
Czechoslovakia	5.51	9.45 [a]	7.7	7.9 [a]
Total of six countries	16.95	30.50	23.6	25.6
Soviet Union	54.90	88.50 [a]	76.4	74.4 [a]
Total	71.85	c.119.00	100	100
Finished steel				
Six eastern European countries	11.8	20.0	21.6	22.9
Soviet Union	42.9	67.5 [a]	78.4	77.1 [a]
Total	54.7	87.5	100	100

Sources: Appendix Tables I-VII; and press release of the Council for Mutual Economic Aid of 16 May 1959.

NOTE. — The published plans for Bulgaria, Poland and Czechoslovakia, and the statement of the target for the whole of eastern Europe published after the Tirana meeting, imply a planned expansion of output in those countries which have not yet published individual targets on a scale which existing evidence of their investment programmes suggests is unlikely. It may be, therefore, that the Tirana decisions have been based on an upward revision of the plans of the three named countries.

[a] Average of highest and lowest limits given in the Plan.

copper deposits with assistance from other countries, particularly the Soviet Union, is under consideration.

The plans for chemicals production, which were a major result of the Prague meeting, seem to have been based on the principle that " in order to safeguard a far-reaching over-all development of each individual socialist country each country is to produce the most important basic materials of the chemical industry, viz., sulphuric acid, ammonia, chlorine, fertilizers, etc." [83] Specialization will apply to certain qualities of plastics, fibres and lacquers — such as polyvinylacetate, polystyrol, fluorine plastics, butylane and nitryl rubber — and some other products. As already noted above, the gross output of the chemical industries of the member countries is planned to triple between 1958 and 1965.

[83] K. Opitz and L. Rouscik, *Die Wirtschaft*, 25 March 1959. Mr. Khrushchev, in his speech at Bitterfeld (eastern Germany) on 9 July 1958, expressed his views about co-operation and specialization in this field in the following terms: " The chemical plants which use most electric current should be set up and receive their raw materials where electric power is cheaper; and those for producing finished products where manpower, technicians and chemists can be found." (*Neues Deutschland*, 25 July 1958.)

Planned chemicals production in 1965

(Index numbers 1958 = 100)

Bulgaria	380	Poland	250
Czechoslovakia	220	Rumania	400
Eastern Germany	200	Soviet Union	280
Hungary	200	All CMEA c.	300

Sources: Die Wirtschaft, 15 April 1959; and *Hospodářské Noviny* 21 December 1958.

Among raw materials, Polish sulphur deposits, Soviet phosphates, and Soviet and east German potash production are to be rapidly developed; and the Soviet Union will provide about 5 million tons of oil each to Czechoslovakia and eastern Germany in 1965 for their petro-chemical industries, as well as substantial quantities to Hungary and Poland. The annual capacity of the Braila reed combine in Rumania is planned to reach 100,000 tons of cellulose by 1965 and 200,000 tons by 1970, thus saving significant quantities of coniferous timber, which was cut excessively in Poland, Rumania and Czechoslovakia in earlier years. In Bulgaria, a straw-cellulose plant of 28,000 tons capacity, which is being set up in co-operation with eastern Germany, should start production in 1961.

Whereas Czechoslovakia is participating in the development of Polish sulphur production, eastern Germany is developing sulphuric acid production — at high investment cost — from domestic deposits of gypsum, thus reducing the input of imported sulphur to 30 per cent by 1965.[84] Of the two next largest producers of sulphuric acid in the area after the Soviet Union, eastern Germany plans to raise output from 0.64 million tons in 1957 (as compared with the Soviet Union's 3.9 million) to 1.30 million in 1965; and Polish production will more than double (from 0.5 million to 1.14 million tons).

The east German programme provides not merely for import-saving production of various kinds, but also for large exports of artificial fibres with very heavy sulphuric acid content. The investment cost is immense (DM 250 million for the two major sulphuric acid plants alone); and it seems that eastern Germany's undertaking this programme may be, in some respects, a counterpart to the investment burden involved for the Soviet Union in the agreed deliveries of oil, hard coal and phosphate rock to eastern Germany.

The plans for the chemical industries already look further ahead than 1965; and the scale of the increase expected by 1975 in output of artificial and synthetic fibres, plastics and chemical fertilizers in the CMEA countries as a group is indicated by the following figures:

[84] *Die Wirtschaft*, 17 September and 15 October 1958.

	Production in 1975		
	Kilogrammes per head of population	*Million tons*	*Index numbers 1958 = 100*
Artificial and synthetic fibres . .	6	2.4	700
Plastics and synthetic resins . . .	15	6.0	1 700
Chemically produced fertilizers .	..	..	300

Source : Die Wirtschaft, 25 March 1959.

In the first stage of the plan (up to 1965) Soviet production of artificial fibres will be quadrupled as compared with 1958, east German production tripled, and Polish output doubled : output of plastics and synthetic resins will rise by 150 per cent in eastern Germany and by 600 per cent in the Soviet Union.[85]

A clear tendency of these programmes, as already noted, is to lessen dependence on supplies of textile raw materials, rubber, oil-seeds, etc., from suppliers — usually the economically less developed countries — outside the area.

Co-operation in utilizing the fuel and power resources of the area has been developing concurrently with the plans for specialization in manufacturing. East German and Czechoslovak investment in Polish coal production dates back to 1957 ;[86] and Czechoslovakia is co-operating with Rumania in the construction and exploitation of electric power stations based on gas and lignite in the north-west of the latter country.[87] The Czechoslovak-Hungarian hydro-electric co-operation scheme aims at constructing two plants on the Danube with a total capacity of 490 MW and a rated output of 3.25 million MWh (of which the first at Nagymaros in Hungary of 130 MW capacity and an output of 830,000 MWh is expected to be completed by 1965).[88] Agreement has been reached on the establishment of an eastern European - western Soviet power grid of at least 220 KV within which the transmission lines of Czechoslovakia, eastern Germany, Hungary and Poland are to form a closely interconnected system with additional links between Czechoslovakia and Rumania, between Hungary and the western Ukraine, and between Poland and the Kaliningrad system of the Soviet Union. As well as helping to balance peak demand, this system should provide increased supplies from the Soviet Union to meet the power deficit of Hungary.[89]

The new gas pipeline from the Rumanian fields to the north-west Hungarian industrial centre is to improve the fuel position of that district and provide the raw material for the important Tisa Valley Chemical Combine ;[90] and the planned new oil pipeline from the Volga region of the Soviet Union to Poland, eastern Germany, Czechoslovakia and Hungary is to supply raw material at low transport cost for petro-chemical development in those countries, as well as fuel for highly efficient power plants.[91]

[85] See Appendix Table VII; and *Die Wirtschaft*, 15 October 1958.

[86] For the content of such schemes, see *Economic Survey of Europe in 1957*, Chapter VI, pp. 31, 56, and Table 10 above.

[87] *Hospodářské Noviny*, 21 December 1958.

[88] Cf. *Népszabadság*, 30 October 1958. This is only a beginning in utilizing the yearly 44 million MWh of potential energy of the Danube which so far is exploited only on its upper stretch in Austria and western Germany.

[89] Press release of 16 May 1959 on the Tirana session of CMEA.

[90] For a detailed description of the scheme, see *Economic Bulletin for Europe*, Vol. 10, No. 3, p. 40.

[91] See *Hospodářské Noviny*, 21 December 1958. According to Soviet sources, the saving in transport costs of the pipeline will be substantial. Prime costs per ton-kilometre are reported as follows for different means of transport:

	Kopeks per ton kilometre
Railway freight	5.2
River freight	4.7
Sea freight	4.4
Pipeline freight	1.0

In addition, substantial costs will be saved on the costs of transhipment between the Soviet and eastern European railways.

3. Problems of Foreign Trade Policy and Organization

As has been noted in the preceding section, the eastern European and Soviet plans for the future so far published suggest everywhere the expectation of a continuing near minimum dependence on trade with countries of the western trade area, and (except perhaps in eastern Germany) a relatively slow planned expansion, in relation to production, of each country's total external trade. On the other hand, the desire for higher levels of trade with western countries is frequently expressed by those responsible for economic policy in all the countries of the area ; and criticism of the autarkic tendencies of the past, together with discussion of the appropriate economic basis for trade policies and plans in the future, is constantly recurring in both official and academic economic discussion in many eastern European countries.[92]

It seems, however, that the eastern European plans as at present published should not be regarded as indications of the upper limit of trade contemplated by the countries concerned, if external conditions later prove favourable to expansion. They still have time to decide, within fairly wide limits, the degree

[92] See, *inter alia*, articles by M. L. Ciamaga, *Sprawy Miedzynarodowe*, June 1958; and by M. J. Bognár and I. Vajda, *Közgazdasági Szemle*, January 1958.

TABLE 13

Population, production and foreign trade of the main economic regions of Europe and the United States in 1958

	Unit	Eastern Europe [a]	Soviet Union	European Economic Community	Other OEEC countries	United States of America
Population	Million	95.1 *	207.1	165.4 *	126.4 *	174.1
Production						
Crude steel	Million tons	17.0	54.9	58.0	25.2	77.3 [b]
Coal	Millions tons HCE	236.1	425 *	278.8	229.1	381.8
Crude oil	Millions tons	12.7 *	113.0	8.9	3.2	330.8
Electric power	Million MWh	94.1	233.0	226.8	195.1	723.4
Motor vehicles	Thousand	149 *	511	3 015	1 434	5 116
Sulphuric acid (in terms of H_2SO_4)	Million tons	2.0 *	4.1	8.5	3.7	14.3
Cotton fabrics [c]	Thousand tons	214	680	757	353	1 153
Leather shoes	Million pairs	134 [d]	356	240 [c]	160 [c]	529 [c]
Five main grains [e]	Million tons	42.1	124.0	47.6	35.6	149.2
External trade						
Exports	Million dollars	5 942	8 700	22 715	16 736	17 724
Imports		5 666		22 920	20 391	12 855

Sources: OEEC Statistical Bulletins: General Statistics, March 1959; *Industrial Statistics, 1950-1957; Foreign Trade, Series I.* Cotton—World Statistics, *Quarterly Bulletin of the International Cotton Advisory Committee*, July 1958; *Monthly Bulletin of Agricultural Economics and Statistics*, FAO; appendix tables and national statistics.

[a] Excluding Albania.
[b] In 1957 : 102 million tons.
[c] 1957.
[d] Including small amount of other shoes.
[e] 1956-1958 average.

to which their economic development over the next fifteen years or so should be directed towards national or regional self-sufficiency as opposed to a policy of exploiting the possibilities of a wider international division of labour; and in reaching this decision they are bound to be influenced to some extent by the terms on which they are likely to be able to trade with the western trade area. Nevertheless, the investment programmes now starting — in the chemical industries, for example — will, as they are put into effect, obviously set progressively more inflexible limits to the possible scope and pattern of trade expansion in this sector for some years to come. The same applies to any other investment programmes oriented towards sector self-sufficiency.

The Conditions for Integrated Development in the Eastern Sub-region of Europe

Whereas national self-sufficiency for the countries of eastern Europe, though not for the Soviet Union, is a practical impossibility,[93] the area as a whole presents obvious possibilities for planned co-ordinated economic development.[94]

In terms of population, eastern Europe and the Soviet Union constitute a market larger than that of either the United States or the European Economic Community and about equal to that of western Europe as a whole (see Table 13), although the aggregate national income of the area is still below that of western Europe. The area has already reached a stage of virtual independence of outside supplies of many basic materials and fuels; its steel output is approaching that of western Europe or the United States, and its coal and oil resources are greater than those of western Europe. The past sacrifices of consumption involved in reaching this situation have been great. But, by now, the national economies of the area are adjusted to a high rate of saving, and the present capital stock and current accruals are such that the most industrialized countries already possess a range of capacities, skills and industrial experience sufficient to support their own further rapid growth and contribute to the economic development of their neighbours. Concentration on very

[93] See *Közgazdasági Szemle*, No. 1, 1958, p. 55. "Economic planning in isolation can work in one vast country of limitless economic potential whose area gives access to all important raw and basic materials, whose internal market is immense and in whose economy foreign trade plays a relatively unimportant role. But the European countries of the people's democracies cannot carry on with planned economies to good effect in isolation and without continuity of raw materials supply and assured markets for their produce."

[94] The rest of this section accepts, simply as a basis for the discussion of general principles, the CMEA members (excluding "observers" such as China) as an "area". However, one important difference from, say, the western European "area" must be borne in mind—namely, the overwhelming size of the Soviet Union in relation to other members. OEEC including the United States could be regarded as in some respects a comparable "area".

similar patterns of post-war industrial development in all the eastern European economies has tended to reduce such complementarity of their economies as previously existed ; and the tendency for changes in priorities in the distribution of national expenditure to occur almost simultaneously, and in the same direction, in each country has had a similar effect. On the other hand, the Soviet Union has reached a position of key supplier and key market for the rest of the area ; and this development has much more than merely corrected the uneconomically low interdependence of the interwar period.

The economic case for co-ordinated economic development of the area is much the same as that for the establishment of the European Economic Community. The basic economic principles underlying the latter initiative (though not so far fully observed in practice) are that the benefits of specialization and of large-scale production, as well as the stimulus to economic efficiency provided by competition within a large market, should be realized through the removal of barriers to the movement of goods, labour and capital within the EEC area.

There is no obvious economic reason why co-ordination of national investment, production and trade plans within the CMEA could not be so designed as to achieve benefits similar to those expected in EEC, from the working of the market mechanism within a large protected area where government fiscal and credit policies are directed to encouraging steady growth with virtually full employment of domestic resources. However, to produce optimum results, such a policy would require institutional arrangements rather different from those at present prevailing in the CMEA area. The fact that normal intercountry movement of labour is virtually non-existent, and the intermember flow of capital extremely small, hampers the most rational use of the resources of the area as a whole : the practice of rigid bilateral balancing of intermember trade and payments, and the existence of pricing systems which reflect relative costs neither within individual countries nor within the region as a whole, furthermore tend to limit the extent to which trade can effectively compensate for this restricted factor mobility.

Pricing in Intermember Trade

As was suggested in the SURVEY for 1957[95] the practice of conducting intra-area trade on the basis of world prices appears somewhat inconsistent with the aim of co-ordinated regional development and maximum exploitation of locally available resources, since the relative factor endowments of the area are not the same as those of the world as a whole. Within any national market economy the possibility of maintaining a price structure for domestic trading somewhat different from that of the world economy, so as to influence the development of domestic production and of external trade in conformity with the desired pattern of use of domestic factors is provided — though seldom rationally exploited — by the use of tariffs or of multiple exchange rates. Within a customs union, such as the EEC plans to establish, the same possibility for the whole area of the Community is provided by the use of the common tariff.

Among the member countries of CMEA, the principle has apparently been accepted, since 1957, that prices in intermember trade should be negotiated annually, in connexion with annual bilateral trade agreements which — within the framework of less specific longer term agreements — settle in considerable detail the level and pattern of trade between each pair of countries ; and the basis for negotiation on prices is that the average world (i.e., " western ") market price of the previous year is accepted as a " fair " price. However, this does not in fact completely remove the element of negotiation on price. In the first place, it is also agreed that adjustments should be made for the effects on world prices of monopolistic practices or short-term speculation. Secondly, it is agreed that the seller and the purchaser should share equally the difference between transport costs incorporated in the accepted " world " delivered price and the actual transport costs in the deal in question.[96]

Clearly, these modifications provide ground for copious argument in practice, and there are many goods for which world prices can be defined only with such difficulty that reaching agreement on definitions can easily become a price-bargaining process. Moreover, it seems that some countries have already protested at one time or another against acceptance of world prices as the basis for intermember trading ; and they have pointed out that this implies also acceptance of price relations resulting from a trading system based on those comparative-cost theories which they have explicitly rejected, as tending to perpetuate exploitation of under-developed countries by those already highly industrialized.

[95] Chapter VI, section 4, p. 26. See also footnote 41, above.

[96] An extensive literature exists on the subject of current price determination in intra-eastern-European trade. (See, for example, *Der Aussenhandel*, Nos. 16/17, 1958, pp. 569 *et seq.*, and J. Navrátil, " *Za vyšší efektivnost zahraničního obchodu* " (" For higher efficiency of foreign trade ", Prague 1958, pp. 52-60). The common price clause in both long-term trade agreements and annual agreements providing that prices should be established " on the basis of the average world market prices on the principal market for the commodity valid in a clearly defined period " often gives rise to considerable argument over definition of " the principal market ", and calculation of the transport cost adjustment. This sometimes leads to provisional prices being agreed upon in order to keep trade moving; and apparently there is seldom any possibility of later reclaiming losses resulting from differences between provisional and definite prices on deliveries already concluded.

TABLE 14

Average unit values of Soviet exports of raw materials and foodstuffs to western and eastern markets in 1957

In dollars per ton

Commodity	Western trade area	Eastern trade area	Commodity	Western trade area	Eastern trade area
Anthracite	25.3	22.1 [a]	Aluminium	494.7	528.0
Hard coal	20.3	22.3 [a]	Caustic soda	80.8	73.0
Crude oil	18.7	24.0	Soda ash	39.1	35.8
Aviation spirit	39.6	48.0	Ammonium sulphate	41.4	49.8
Motor spirit	34.3	40.8	Ammonium nitrate	75.4	82.7
Diesel fuel	29.7	36.8	Apatite concentrate	18.0	16.5
Fuel oil	18.4	16.5	Pulpwood	14.7	14.8
Manganese ore	64.0	52.6	Newsprint	140.5	141.4
Chromium ore	41.0	41.9	Cotton	846.8	793.8
Pig iron	67.9	64.0	Wheat	75.8	81.2
Zinc	228.4	273.7	Refined sugar	151.1	130.4
Tin	2002	2161			

Source: Vneshnyaya Torgovlya SSSR za 1957 god, 1958.

[a] The price relation between these two items reflects a different incidence of transport costs.

How far individual trade negotiations in fact still produce wide divergencies between prices in intra-area trade and those in trade with the outside world is not precisely known. So far as the Soviet Union is concerned, the divergences illustrated in Table 14 seem in some cases to be greater than could be explained by quality differences or by the special arrangements, mentioned above, for dealing with transport costs in trade within the eastern trade area. However, the effects on terms of trade under any individual trade agreement of an apparent price differential for a country's exports may well be compensated by a differential on the import side also. Nevertheless, differences in bargaining strength among eastern European countries sometimes result in the "world prices", and consequent terms of trade, accepted in one bilateral trade deal varying considerably from those applied in another.

The recent speech of Academician Ostrovityanov at the XXI Congress of the Communist Party of the Soviet Union [97] reflects concern, expressed in other countries also, at the difficulties bound to result from attempts to build up an integrated and rather self-sufficient trading system in the CMEA area on the basis of the general world price structure. He remarked that "At present the socialist countries conclude trade agreements among themselves based on world prices, with some corrections. With the growth of their economy, increasing labour productivity, decreasing costs and a rising share of their mutual trade in world trade, they must progressively change over to a price system for their mutual trade based on production costs within the socialist camp." As one condition for such a change, he mentioned the need "to devise a yardstick for comparing production costs within a given country with costs in other socialist countries, and even for comparing the results of competition between the socialist and capitalist systems".

If the members of CMEA accept this view of the need gradually to change the price basis on which they trade among themselves, they will then be obliged to consider the principles which should determine their alternative price structure. To say that it should conform with the cost structure of the area does not provide a complete answer, since this can neither be regarded as static nor be considered separately from the desired national and area-wide production structures. The theoretical question to be answered is to what extent are individual member countries prepared to forgo benefit from world-wide division of labour in the interests of integrated development of the area as a whole and of special efforts to help its poorer members.[98] That is to say, they are faced with the equivalent of a "common market's" decision on the height of its common tariffs against imports from the outside world and also — unless intermember labour and capital flows

[97] *Pravda*, 6 February 1959.

[98] Economists in the industrially more highly developed countries within the area, such as eastern Germany, seem to be as inclined as their western counterparts to plead for specialization rather than for diversified national development: "Further explanation [of shortages and high costs within the area] can be found in the belated start to co-ordination of economic development among socialist countries, in the insufficient division of labour among them and in the partly misdirected and excessive industrial development in some of these countries." (K. Morgenstern, *Die Wirtschaft*, 5 December 1957). According to another writer, "Industrial equipment exported in accordance with the plan has been used to build up capacities [in engineering] in the importing countries for goods already in adequate supply on the socialist world market." (W. Mostertz, *Wirtschaftswissenschaft*, No. 5, 1958, p. 659).

become much larger than they are at present — with the need to decide what additional "infant industry" protection should be allowed within the area to its less economically developed members.

While the last consideration is of great importance, given the widely contrasting stages of economic development reached among the countries of the area, the case for less national and regional autarky than in the past is a strong one. As has been shown, the past level and geographical concentration of the external trade of the eastern European countries has been such as to make their patterns of output and national expenditure unduly inflexible in the short term. Moreover, the general arguments against national autarky apply, though with less force, to regional autarky also: first, that planning for a minimum import content of national income will lead to a less specialized structure of output and thus to higher real costs of production than might otherwise have been secured; secondly, that the capital-to-output ratio for the economy as a whole is likely to be higher if development is unspecialized than if it is concentrated on those lines of production where the country enjoys comparative cost advantage.

The Need for a Basis for Comparison of Relative Costs

Once the decision is taken on the desired compromise between maximum development of national or regional resources and reaping the benefits of wider international division of labour, a choice exists of various means for promoting the practical application of the agreed policy to the trade relations of, and production decisions within, the area. For instance, so long as the present divorce between domestic real cost and price structures continues in the member countries, it might be mutually agreed that intra-area trade should be conducted at world prices, subject to agreed margins to be added to these prices for particular goods for which it was desired to stimulate production within the area and, in some cases, still larger margins for exports from some individual member country.[99]

If the individual price structures of the CMEA member countries were adjusted more nearly to their real cost structures, and if more realistic exchange rates were adopted, the problems of finding a rational basis for intra-area trade, and of using relative cost comparisons as a guide to investment and production decisions, would largely disappear. However, it seems unlikely that the debates on internal pricing principles proceeding in several countries of the area will in fact lead, in the near future, to the ending of either the practice of holding prices stable for long periods or that of largely ignoring relative capital costs in fixing relative prices. In the Soviet Union, the 1955 price reforms and those foreshadowed in the near future tend to bring relative prices of producers' goods closer to their relative labour costs. But the price distortions arising from the concentration of turnover tax on consumers' goods continue, though several Soviet economists have advocated a more even spreading of turnover tax over all production;[100] and increasing interest is apparent in the problems of the relation of the Marxist law of value to practical questions of price fixing.[101] In Czechoslovakia, eastern Germany, Hungary and Poland similar reforms to those in the Soviet Union have been effected, and attempts have also been made to reflect to some extent relative foreign exchange costs of imported (or easily exportable) raw materials and fuels in relative domestic prices.[102]

TABLE 15

Commodity exchange rates between the Soviet rouble and the US dollar in 1956 [a]

Commodity group	Value of one rouble in US cents [b]	
	Exports	Imports
All machinery and equipment	15	16
of which:		
Metalworking machine tools	16	..
Railway rolling stock	35	22
Road transport equipment	14	21
Fuels	11	11
Non-metallic minerals	15	6
Ores and metal concentrates	39	..
Ferrous metals	15	15
Non-ferrous metals	7	5
Chemicals	11	..
Building materials	19	17
Raw materials of vegetable or animal origin	12	9
Processed and unprocessed food	9	7
All commodities	12	9 [c]

Sources and methods: See "Notes to the statistics".

[a] Ratio of Soviet foreign trade prices in US dollars in 1956 to domestic factory-wholesale prices in the Soviet Union. (At the official exchange rate, 1 Soviet rouble = 25 US cents.) Weights within commodity groups are based on foreign trade turnover in 1955-1957.

[b] Because of the difficulties in the identification of commodities, these calculations are necessarily very tentative.

[c] Without tin and wool, for which domestic prices are extremely high, this figure would be 11.

[99] An alternative means of redistributing resources in favour of the poorer countries of the area and of promoting their exports—and one that would put less strain on the commercial sense of national trading organizations—would be to set up a common fund to be used to stimulate development, and production for export in particular, in the poorer countries, *inter alia*, by subsidizing, for a limited period, their prices for certain goods on the eastern trade market.

[100] The first proposals on this point in the current discussion were made by M. Bor, *Voprosy Ekonomiki*, No. 10, 1954, pp. 82-83.

[101] See *Vestnik Academii Nauk SSSR*, No. 5, 1959, pp. 79-81.

[102] See, for example, B. Csikós-Nagy: *Árpolitika az átmeneti gazdaságban* (Price Policy in the Transitional Economy), Budapest, 1958, p. 180; *Zycie Gospodarcze*, No. 51, 1957; *Gospodarka Planowa*, No. 4, 1957, and J. Navrátil, op. cit.

TABLE 16

"Last-phase" indices[a] of export efficiency in Poland, 1956 or 1957[b]

Polish zlotys to one US dollar

Brown coal	4	Sugar	47.6
Tinned ham	6	Carbide	50
Hard coal	8	Calcined soda	56
Electrolytic zinc	14	Cement	84
Tinplate	14	Cotton and silk fabric	200
Molasses	17.6	Average of all items analysed	16
Coke	23.2	Average excluding hard coal	28.4
Coal derivatives	24.4		
Woollen fabrics	44		

Source : Gospodarka Planowa, No. 2, 1957, pp. 22-24.

NOTE. — These are the results of an investigation carried out by the Economic Research Institute of the Planning Board, and cover a majority of the items entering into export trade. At the official exchange rate, 4 Polish zlotys equal 1 US dollar.

[a] See footnote 104.

[b] The results of such calculations for 1958 are available only within broad ranges (see *Handel Zagraniczny*, No. 2, 1959, pp. 59-63) showing export efficiency indices in Polish zlotys to one US dollar for that year as follow:
A. Below 24 : Metallurgical products (except ferro-alloys), about 60 per cent of all machine tools, locomotives, passenger coaches, ships, woollen fabrics, tinned ham, other meat products, alcoholic drinks.
B. Between 24 and 56 : Coal, chemical products, rayon fabrics, sugar.
C. Above 56 : Ferro-alloys, railway wagons, plate glass, domestic glassware, cotton fabrics.

The "foreign trade subsidies" in eastern Germany and Hungary — resulting, in part, from the artificial nature of present exchange rates and from differences between domestic and external price structures which may well be greater than the differences in real costs — were illustrated for the years up to 1956 in the SURVEY for 1957.[103] A comparison of average values in Soviet domestic prices and in foreign trade prices of some major groups of products not subject to turnover tax is given in Table 15. The differences between the price ratios for imports and exports in the same group can be disregarded (since they could easily result simply from differences of commodity composition), but the general impression, if Soviet relative prices could be taken as representative of relative production costs, would be that machinery and equipment or ferrous ores and metals were more profitable lines of production than, for example, foodstuffs, chemicals or fuels.

Calculations of Export Efficiency

In fact, it is generally agreed throughout eastern Europe that the existing price systems cannot furnish an adequate guide to rational foreign trade decisions, and all countries appear to resort to calculations of some kind of export efficiency indices which relate foreign currency earned from a particular export to total domestic costs involved in its production (as defined in the country concerned, and therefore covering little more than wage costs and amortization). The index may be either "global" or "partial". The "global" index relates domestic labour (measured by money-wage cost), expended on the production of an export commodity through all its stages to the net foreign currency proceeds of its export, while the "partial" index relates the wage cost incurred in the "last phase" of production to export proceeds reduced by the world-market value of the inputs of intermediate materials.[104] Thus, by and large, both indexes show the amount of domestic labour absorbed per unit of foreign currency earned ; and by comparing indexes derived for various commodities, it can be seen which exports are most "efficient" or, more precisely, which commodities should be exported in order to obtain given foreign exchange earnings with the least input of domestic labour.[105]

According to the available "last-phase" indexes of export efficiency for Poland in 1956 or 1957 (see Table 16), foreign exchange returns to domestic inputs were relatively high for coal, rolled products, coke, tinned ham and molasses, whereas cement, some chemicals and textiles are shown to be relatively high-cost exports. By 1958 the relative "efficiencies" of broad groups seem to have changed little ; but coal appears as a relatively less profitable export, and woollen and silk fabrics as relatively more profitable, than before. These changes reflect to some extent the movement of the terms of trade against primary products.

In cases where such calculations cannot easily be made, rather simpler indicators may be used. For instance, in some cases the margin between the domestic wholesale price and the export price in domestic currency at the official rate of exchange is related to the latter price ; in others, the aim may be simply to maximize the ratio of the foreign exchange

[103] Chapter VI, Table 21.

[104] If W_g is the "global" wage cost of producing a given export commodity in all, including the intermediate, stages (e.g., fuel, energy, raw materials), E its export price, I_a the actual import content, the value of the "global" index is:

$$G = \frac{W_g}{E - I_a}$$

If W_p is the wage cost in the "last phase", E the export price and I_m the world-market value of all material inputs (regardless of whether they are imported or home produced) the value of the "partial" or "last-phase" index is:

$$P = \frac{W_p}{E - I_m}$$

According to J. Navrátil, *op. cit.*, p. 55, the Czechoslovak authorities use a variant of the above "global" index which relates the foreign exchange return net of actual imported inputs to the domestic wholesale price *plus* domestic transport, etc., charges to the frontier and the appropriate share of the domestic costs of the foreign trade enterprise *minus* taxes paid by the domestic enterprise and the domestic price of the imported inputs. It thus regards, for instance, profit retained by the enterprise as a domestic cost.

[105] A further qualification is sometimes added, taking into account the "hardness" or "softness" of the currency to be earned, or the goods imported, as the result of particular trade deals. In other terms it can be said that these countries commonly conduct their trade on a basis of both multiple commodity exchange rates and broken cross-rates.

return to the actual import content (or content in foreign exchange values of exportable raw materials). In eastern Germany it seems that the relationship of domestic cost and price structures is already regarded as sufficiently satisfactory to make the former simple measure of export efficiency reasonably adequate.

The weaknesses of the indexes used in most countries, however, is that they tend to influence the planners of foreign trade to economize labour but not other factors. The tacit assumption that labour is the only scarce domestic factor — or that capital is completely immobile — might be appropriate to very short run decisions; but to base long-term planning of investment and output on such an implicit assumption may well introduce a costly bias into the resulting decisions.[106] It has long been recognized that policy cannot safely ignore the fact that two production processes in which equal returns are received to domestic labour cost, but the amounts of capital that must be tied up are vastly different, are not equally economical.[107] However, the practical problem of devising a logical accounting of both labour cost and capital intensity (i.e., an appropriate rate of interest) seems not yet to have been solved, although attempts are being made in some countries.[108]

[106] For example, if the foreign price of two goods *a* and *b* is the same and their import content also the same, their net foreign-currency proceeds are equal. Suppose equality between their total domestic wage costs, in the " global " sense of labour expended on the final product plus the labour cost of producing all material inputs (including replacement of fixed capital), and hence also between their export efficiency indexes. The indexes will show it to be a matter of indifference whether an additional unit of *a* or of *b* is expended in obtaining the related net export proceeds. If, however, the marginal capital-output ratio prevailing in the production of *a* is higher than in *b*, a contingency not excluded by the condition that their global efficiency indices are equal, it is clear that *b* only should be exported, as this would, in the long run, release some capital without absorbing any more labour. If trade takes place in *a* and *b* only, *a* should be imported and *b* exported. But to follow the efficiency indexes may well result in decisions either to export *a* and import *b*, or to refrain from trade altogether. The corresponding decision may then be made to invest in industry *a*, or in both *a* and *b*, although the same investment concentrated on *b* would by definition enable total national income to rise by a larger amount at an unchanged labour outlay.

[107] See *Közgazdasági Szemle*, No. 1, 1954, p. 92, quoted in the Appendix to Chapter 5 of the SURVEY for 1954, p. 134; also the report of a working party of Hungarian economists, quoted in *Közgazdasági Szemle*, No. 2, 1959, pp. 113-127, and G. Friedrich and L. Rouscik, *Wissenschaftliche Zeitschrift*, No. 3, 1958, p. 192: " Faulty pricing may hamper specialization of production and negatively influence the division of labour among socialist countries since trade relations among these countries involve the employment of nationally limited capital resources."

[108] The " partial " or " last-phase " efficiency index described above is preferable to the " global " index from this point of view, since the use of the world market price for all material inputs at least reflects the capital cost of producing these inputs abroad and world capital scarcity. It should thus come nearer than the global index to reflecting the real home costs of such inputs. However, it also seems that attempts are made in some countries to take into account the relative investment intensity of different products when planning import-saving or export-promoting investment (see S. Polaczek, *Handel Zagraniczny*, No. 11, 1958).

Accounting Relative Capital Intensity

The solution of the problem requires that a common denominator be found for labour and capital; and it can be said that such a common denominator is inherent in the system of a planned economy — specifically, in the plan to enlarge the capital stock. On the basis of the simplifying assumptions, first, that saving from wages and consumption from profits are nil and, secondly, that the average capital-output ratio is constant[109] over the range relevant for the plan, the following accounting identities appear:

Aggregate net profit = Aggregate net accumulation;
Rate of net profit = Rate of growth of net national product.

Given that aggregate profit income must equal aggregate accumulation (because wage income is not saved but consumed in full), each unit of existing capital must yield profit at the rate which will enable planned aggregate accumulation to be realized. If some units of capital in a particular use yield less than others do in some other use, it will be in a country's interest to transfer capital from the former to the latter use, thereby increasing accumulation without decreasing consumption. Since, however, capital must yield this rate to justify its use in a particular place or process, an optimum realization of the plan will be ensured if this rate were charged to the process in question as a cost, so as to see from the comparison of cost and product (e.g., the foreign-currency receipts) whether the existing capital stock is correctly allocated or whether transfers of capital from one use to another could increase the product. Putting it in a slightly different way, in order to be consistent with their own chosen aims, planning authorities should charge the rate of profit implicit in their over-all accumulation decision against the goods they produce in proportion to the volume of capital allocated to their production.

This does not mean that in order to reach rational decisions on trade and production plans internal price systems reflecting relative total factor costs — rather than virtually only wage costs — must be established, though this would have obvious advantages. For these purposes, however, the transformation of the export efficiency indexes based on wage cost to indexes based on a full accounting of factor cost would be sufficient. This could be done by calculating the money value at domestic prices of the fixed capital stock and the national wage bill for a year and thus an over-all capital-to-wages ratio K. Similarly each commodity *n* produced by an industry or firm will have an analogous capital-to-wages ratio k_n. If the required share

[109] I.e., equal to the marginal capital-output ratio. This assumption is generally adopted in eastern European economic planning; but Soviet economists (notably A. I. Notkin) have pointed to the need for planners to forecast the trend therein.

of accumulation in the national income is *a* per cent [110] the share of the cost of W at present incorporated in the export efficiency index to be charged to capital will be

$$\frac{\mathrm{W}k_n \frac{a}{100}}{\mathrm{K}}$$

while that to be charged to labour will be

$$\mathrm{W}\left(1 - \frac{a}{100}\right).$$

Full factor cost will be the sum of these, and the ratio between it and W in the existing index will be

$$1 + \frac{a}{100}\left(\frac{k_n}{\mathrm{K}} - 1\right).$$

The resultant "rentability" index based on full factor cost will be higher than the old export efficiency index for commodities with a higher than average capital-to-wages ratio; and the difference will be the greater the higher is the target rate of accumulation.[111]

To apply such a formula would require a revaluation of the existing capital stock, such as is intended in the Soviet Union and Poland by 1960. A very rough approximation to the results of applying the formula could moreover be achieved by such a revaluation combined with revision of amortization charges.

This is not to say either that the methods suggested above for assessing relative costs of different patterns of production and trade are the only ones possible, or that the adoption of such — or similar — methods need imply the adoption of an unadulterated free trade philosophy in eastern Europe. But it is highly desirable that any government intending to subordinate its trade policies to considerations other than those of relative economic advantage should be able to appraise the economic cost of its actions.

Flexibility in Intermember Trade and Payments

In addition to providing a more rational basis for foreign trade decisions, greater flexibility in methods of balancing intermember trade and payments could contribute to a more economic development of the resources of the area as a whole. At present the countries of the area are in a situation superficially similar to that of western Europe at the time when the European Payments Union was established. Any eastern European country is reluctant to incur in its intra-area trade an obligation to settle a deficit in a western currency, since most western currencies are as "hard" to the eastern European countries as was the dollar in western Europe in the early 1950s; and the Soviet Union is in a position *vis-à-vis* the other countries of the area similar to that occupied in the EPU by the "persistent creditors" of its early years.

Rigid bilateralism in the trading relations of the eastern European countries, though probably impossible to avoid and not particularly harmful in the early post-war years, has tended to become more restrictive with the development of increasingly similar industrial structures in these economies. As in other cases, its tendency is to restrict the level of trade by practically limiting exchanges to the lower volume of essential goods which one of the trade partners can offer. It has also entailed some dangers of a "vicious circle" of restriction extending even to the output of products in general short supply in the area. Thus, according to a Hungarian author,[112] Polish investment in coal mining was to some extent discouraged by the difficulty of obtaining in bilateral deals sufficiently essential goods from each individual country which desired to buy Polish coal.

A case study of the trade relations of Czechoslovakia and Poland during the 1950s provides illustrations of the hampering effects on their mutual trade of the need for bilateral balancing of their accounts. These are two naturally rather complementary, neighbouring, economies. Energy, raw materials and food constitute a large share of Polish exports and of Czechoslovak imports; Poland, although rapidly expanding its own engineering production, ought to have been able to benefit considerably from the chance to rely for some supplies on the already diversified Czechoslovak industry while developing its own new capacity on a highly specialized basis which could have provided exports of some products even to Czechoslovakia.

In fact, trade between the two countries has shown no consistent expanding tendency during the 1950s; and the share of intra-trade in their total trade has shrunk considerably since 1953 (values in millions of dollars and percentages):

	1950	*1953*	*1956*	*1957*	*1958*
Polish imports from Czechoslovakia	88	82	103	77	94
Polish exports to Czechoslovakia	58	95	76	61	72

[110] It is important that the share of accumulation itself should be calculated as nearly as possible on a factor cost basis; and a rough approximation to this could be achieved by deflating consumption in the national accounts and total national expenditure by the amount of state net income from industrial profits and turnover tax, and then spreading this over all the main constituents of national expenditure in proportion to their shares in the residual national expenditure total. For instance, if planned national income at market prices is composed of 70 per cent personal consumption, 10 per cent collective consumption and 20 per cent accumulation, and if turnover taxes and other net state profits are planned at 40 per cent, after the adjustment described above the respective percentage shares will appear as 50 personal consumption, 16⅔ collective consumption and 33⅓ net accumulation. By the same token, the shares computed should be net of subsidies.

[111] This discussion has been in terms of calculation of export "efficiency" or "rentability": the principles can, of course, be applied equally well to import plans or decisions.

[112] T. Kiss, *Társadalmi Szemle*, No. 11, 1958, p. 87.

	1950	1953	1956	1957	1958
Percentage share of Czechoslovakia in total Polish trade					
Imports	13	11	10	6	8
Exports	9	11	8	6	7
Percentage share of Poland in total Czechoslovak trade:					
Imports	9	11	6	4	5
Exports	15	10	7	6	6

Sources: Polish and Czechoslovak trade statistics.

Trade became increasingly concentrated on raw material and fuel exports by Poland against imports of Czechoslovak machinery and semi-finished products. Polish food exports to Czechoslovakia fell to insignificant proportions after 1953 though Czechoslovak imports from all sources continued to increase; and, despite rising Polish output of machinery and equipment, the value of exports to Czechoslovakia (never large) actually fell during 1954-1956 to a quarter of their annual value during the preceding four years, though they recovered in 1957.

Polish trade with Czechoslovakia

Percentages

	1950	1953	1956	1957
Imports				
Machinery and equipment	66	74	44	53
Fuels and raw materials [a]	26	18	33	38
Manufactured consumers' goods	8	8	19	9
Food	—	—	4	—
Exports				
Machinery and equipment	4	6	3	14
Fuels and raw materials	83	83	94	84
Manufactured consumers' goods	1	—	1	1
Food	12	11	2	3

[a] Largely rolled products and other semi-manufactures.

Within the two main sectors in which trade has been concentrated, Polish coal exports (in value terms) fell from 1953 onwards, while Czechoslovakia with difficulty built up its own supplies and — in 1957 — imported large quantities from the Soviet Union, despite the very high transport cost as compared with haulage from Poland. Simultaneously, Czechoslovak machine tools, motor-cars, agricultural machinery and even electricity-generating equipment were progressively replaced in the Polish market by domestically produced machinery; and other Polish machinery purchases from Czechoslovakia have not risen in compensation. Thus the trade turnover between the two countries was practically the same in value in 1957 as in 1950,[113] although the trade of Poland with all countries had risen by 71 per cent, and that of Czechoslovakia by 94 per cent over the same period.

[113] The volume may possibly have been slightly greater, in view of known price movements in the intervening years; but this is by no means certain.

To some extent this development may be attributed to the facts, already mentioned, that there was a tendency for the same goods to be scarce in all countries of the area during these years and that there was a general tendency to concentrate attention, in production and trade plans, only on "essentials" and to regard low import dependence in many lines of production as good in itself. However, these tendencies were themselves encouraged by the rigidities of bilateral trading. Insistence on balances of physical supplies in trade deals led even to re-exports by Czechoslovakia to Poland in 1956 of cotton, wool, raw hides, coffee and citrus fruit; and the need for such settlement may well have influenced the switch of Czechoslovak orders for coal to the Soviet Union in the following year.

It is becoming increasingly appreciated in eastern Europe that bilateral balancing of trade between small countries with a relatively limited range of requirements — or of "essential" goods to offer — in each individual exchange is bound to be extremely hampering to the growth of mutually advantageous trade;[114] and the difficulties are increased by the fact that "concessions" — on terms of trade or assortment of goods — by one trade partner are more costly to its economy than would be the case for a large, highly developed country. However, although there is little point in setting up multilateral payments arrangements unless the countries concerned aim at reducing bilateralism in trade, it is equally illusory to envisage multilateral trading if the essential conditions for multilateral clearing of payments balances do not exist. Among these conditions are compatible price structures and exchange rates, which will obviate the need for detailed negotiation on every price in every trade agreement.[115] A generally acceptable, and relatively easily available, means of exchange — at least within the area — could also be of considerable assistance in establishing a genuinely multilateral system.

Statements about the future status of the rouble, widely interpreted as hints that it might soon become a convertible currency, have recently been made in the Soviet Union.[116] Some of these remarks could

[114] See *Wissentchaftliche Zeitschrift*, p. 192: "It is necessary to perfect the operation of multilateral clearings, as payments resulting from further specialization do not balance between two countries in all cases. More generally, multilateral agreements will have a big role to play in the future development of international division of labour and commercial relations."

[115] This does not imply more than a need for appropriate price structures at the ex-factory stage. Retail prices can, of course, incorporate tax elements which do not apply to exports.

[116] Academician Ostrovityanov, in the speech already cited above, said that "the Soviet rouble will soon start to enter the world market, there progressively supplanting the dollar". The east German Minister for Foreign Trade has been even more emphatic in his similar assessment of the future role of the rouble in international trade (*Neues Deutschland*, 1 March 1959).

equally well be interpreted as indications that the Soviet Union may in future expect its temporary creditors to treat the rouble as an international — or at least a "sound" — currency and to accumulate small holdings of roubles, rather than demand immediate gold, dollar or sterling settlement when their trade balances move temporarily into surplus. However, if the rouble were made convertible or transferable within a limited area [117] — and effectively so in the sense that at least any eastern European trade partner of the Soviet Union had the possibility of earning surpluses in trade with that country which could be used to finance deficits elsewhere — the trading problems of the area could be somewhat eased. Any great willingness by other CMEA countries to risk unbalancing trade with other members of the area is likely to depend upon this, or upon the setting up of some fund of "lubricating" credit, to which a substantial Soviet contribution would seem to be a prerequisite for general participation by other members.

Some tentative efforts have nevertheless been made to establish more flexible trading arrangements within the area, and to depart a little farther from the old concentration on planned trade in strictly essential goods, though still within the framework of bilateral balancing. One example is the scheme for barter exchanges of consumers' goods, not through the normal foreign trade machinery, but through direct negotiations between national ministries of internal trade or retail co-operative unions. Total turnover under such schemes in which Poland participated was just over $50 million in 1958, including exchanges of Polish clothing, textiles, furniture, leather goods, musical instruments and fruit to a value of nearly $20 million with the Soviet Union against imports of Soviet bicycles, watches, washing machines, refrigerators, cameras and other goods. Similar exchanges, on a much smaller scale, were arranged with Czechoslovakia and Hungary. Exchanges amounting to $2½ million were arranged between Rumania and the Soviet Union; and other countries also arrange such deals on a fairly significant scale.

The main aim of such schemes seems to have been to provide for quick exchange of goods which have piled up in excess stocks in one country yet may be in strong demand elsewhere; but agreements already made for 1959 suggest an expansion of the trade. Useful as it may be, however, this experiment can be regarded as little more than a minor palliative for the fundamental shortcomings of the present bilateral trading system.

[117] Occasional payments for eastern European imports in convertible currency, and provisions of convertible credit repayable in roubles, have been undertaken by the Soviet Union to help eastern European countries to overcome especially pressing difficulties, for example, in 1957.

At the same time most countries are continuing slowly to extend the "decentralization" of external trading activities begun in 1956 or 1957. Foreign trade agencies have been given somewhat more scope than before both to explore foreign markets and to influence production for export, rather than operating simply as buying and selling agents for a list of products in the selection of which they had played no part; and direct contacts between producing enterprises and the customers for their products are more frequent than in the past. The Soviet Union itself seems to have been somewhat slower than other countries to arrange for industrial experts rather than traders to travel in search of trading opportunities; but reports from a number of western European countries indicate increasing activity of this kind.

In western Europe the weakening market for many goods last year seems to have stimulated renewed activity by individual firms or consortia attempting to arrange barter deals with eastern European trading organizations. Krupps in western Germany are reported to have undertaken several fairly large-scale export/import deals involving imports of goods having no connexion with the firm's normal activities; several consortia are reported to be operating on a significant scale in France; there are similar reports from Italy and preparations for expanding such activities are reported from the United Kingdom and other countries. However, some eastern European countries appear to have reservations about the desirability of such deals on the grounds that they introduce undue rigidity into trade, are inclined to result in worse terms of trade for the eastern trade partner, etc.[118]

The International Policy Background for East-West Trade Expansion

Recent statements, and trading activities, seem to reflect both a desire in eastern Europe for a larger volume of east-west trade and a continuing uneasiness about the terms on which such trade will be possible, and particularly about discrimination in the trade policies of western countries. Poland has applied to join the General Agreement on Tariffs and Trade, to which only Czechoslovakia among the CMEA member countries at present belongs; and the desire for guarantees of most-favoured-nation tariff treatment — already fairly widely accorded in fact — and the ending of economic as well as strategic discrimination against east-west trade is frequently urged by the countries of the area. It is increasingly emphasized not only that these countries ask from the west a lessening of *de facto* discrimination, but that they need, as a basis for their foreign trade plans, fairly long-term undertakings that their access to western

[118] See, for example, *Wirtschaftswissenschaft*, No. 4, 1957, pp. 506-514.

markets will not be suddenly disturbed by new tariff or quota obstacles. Such assurances the member countries of GATT can give only subject to escape clauses related to their mutual obligations to avoid discrimination in their intra-trade. For example, assurances to any country that its rights to unrestricted entry for certain exports — or the level of its individual export quotas — would be maintained for a stated number of years, would have to be qualified so as to permit the importing country to take any action necessary to avoid discrimination against other GATT members if it should experience balance-of-payments difficulties justifying restriction of imports from them.[119]

The establishment of the western European common market will mean that the CMEA countries — like other non-members of EEC — will almost certainly trade with that area on worse terms than they would have done had its members adopted world-wide non-discriminatory trading with reduction of national trade barriers as their policy. However, the trade with EEC of the eastern European non-members will not necessarily be less than if the pre-EEC trade policies of the member countries had remained in every respect unchanged — particularly if the economic unification of the area tends to speed up its rate of economic growth.

On the other hand, western governments and traders are inclined to allege that it is impossible to judge whether or not there is justification for their suspicions that the eastern European countries discriminate in drawing up their import programmes, not only in favour of other countries of the area but even among western sources of supply. It is, of course, true that discrimination is easy for a state trading organization and its detection difficult. Moreover, it is virtually impossible to distinguish, in the context of eastern European economic institutions, the discrimination imposed by public policy — which the western countries seek to regulate by the GATT, and other, rules — from the normal "commercial" discrimination practised by any large firm. However, the fact remains that the more industrialized western countries could, if they wished, remove any economic incentive for eastern European governments to instruct their trading enterprises to discriminate (in the first sense) in their trade among the members of this group. If every one of them, having made its currency convertible, gave the countries of eastern Europe identical privileges of entry for their exports, the incentive for discrimination on the eastern European side would be virtually eliminated. However, it can be argued that the western European countries, by themselves limiting the quotas for imports of eastern European goods into their markets and bargaining for sales of their own exports, thus limit the possible free margin of eastern European earnings of each individual convertible currency to levels which practically force the eastern European countries to be discriminatory even in this geographical area of trade.

Western traders and some governments have also expressed concern, first, that it is impossible to judge the magnitude of the effective national or regional protective margins in operation in eastern Europe, or to rely on their remaining stable and, secondly, that it is impossible to judge whether or not eastern trading agencies are "dumping" exports. The question thus arises of the practical meaning that can be given to principles of reciprocity and non-discrimination in the field of tariff and quota regulations — or their equivalent — applied, by one side or the other, in east-west trade.

Any approach to agreement on this point would have to be based less on a search for strictly comparable legal obligations equally open to supervision than on recognition, on the side of the basic characteristics of the eastern European and Soviet economic systems and, on the other, of the implications of the determination of most industrialized western European countries to pursue policies of relatively free and non-discriminatory trading among themselves, subject only to those preferential arrangements that have received the sanction of the GATT rules.

The countries of eastern Europe all possess one characteristic of a good international trader — that they are all highly unlikely to embarrass the rest of the world by becoming "chronic creditors", since the pressure on their investment resources is far too great for them to be very likely to undertake substantial investment in gold or foreign exchange reserves. For the same reason, some of them, at least, can claim the rights — claimed by other rapidly developing countries — to give effective "infant industry" protection and in the short run to ration scarce foreign exchange resources. Their economic case for regional preferences is comparable with that of the EEC members.

If they wish for non-discriminatory treatment by their western trading partners they may, nevertheless, reasonably be asked to explain the basis on which departures from the economically desirable trade patterns indicated by their export (or import) efficiency coefficients are determined. In other words, they may be asked to indicate the protective and discriminatory elements implied by their existing price systems and the influence these exert on trade flows. An undertaking regularly to publish price quotations (for goods for which this would be practicable) and foreign trade plans would also help to give assurance to their trading partners.

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[119] The recent U.K./Soviet five-year trade agreement (Cmnd. 771) in fact gives no assurances on the size of United Kingdom import quotas for Soviet goods beyond the first year.

So far as the issue of "dumping" is concerned, there is little economically defensible reason for any country to object to the opportunity of buying in the cheapest market, and to the gift of resources to it involved in any systematic subsidizing of exports by a trading partner.[120] However, the strength of the case against "dumping" is that it is seldom persistent, and that the loss from disruption of normal production and trade patterns then outweighs the short-term gain from cheaper imports in the recipient country. Only an eclectic solution to this problem seems to be possible, partly for the reason that it is virtually impossible to apply the commonly accepted definition of "dumping" (i.e., selling abroad at less than the price at which the producer sells in his home market) in the context of eastern European and Soviet pricing systems. There could, for example, be infinite argument as to the proportion of turnover tax which should be regarded as "profit" in western terminology as distinct from a tax on the consumer. A possible solution might lie in an undertaking by eastern European countries not spasmodically to offer goods for sale in western markets at much less than the prevailing prices — even in order to dispose of temporarily surplus stocks produced at indisputably competitive costs — combined with an undertaking to explain the basis of their export pricing (or surplus disposal) in any case where complaint of dumping is made. The sudden large sales of Soviet tin and aluminium in 1958 provide an example of the kind of trade policy which has aroused fears of "unfair trade practices" in western countries, whether or not these metals were actually sold below real production cost. In this instance, however, the Soviet Union has now agreed to co-operate with members of the International Tin Agreement in the future.

In negotiations for association with GATT the Yugoslav Government has apparently insisted successfully on full account being taken both of the situation of Yugoslavia — an under-developed country, attempting to achieve rapid growth, inevitably facing payments difficulties and with an internal price structure diverging widely, and at present illogically, from that of the world market — and of the basic characteristics of the Yugoslav economic system.[121] At the same time, they have offered to undertake to explain fully both their attempts to conform with the spirit of GATT obligations and those cases in which they demand exemptions related to Yugoslavia's special circumstances. A similar approach by western countries to east-west trading issues, based on recognition of the diverse economic systems and situations of the countries concerned, is likely to offer better hope of success in improving east-west trade relations than would a search for formal reciprocity in legal obligations.

[120] One American writer (W. H. Peterson, *Harvard Business Review*, March-April 1959, p. 54) has in fact recently recommended such an attitude.

[121] See N. Popovic: "La Yougoslavie et le GATT", *Revue de la politique internationale*, No. 216, Belgrade, 1959.